

Company Number. 03847379

**PRIVATE COMPANY LIMITED BY SHARES**

**WRITTEN RESOLUTIONS**

**OF**

**DATACTICS LIMITED  
(THE "COMPANY")**

**RESOLUTION DATE: 20 SEPTEMBER 2012**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company certify that the following resolutions have been passed by eligible members holding not less than 75% of the total voting rights of eligible members on the above date

**SPECIAL RESOLUTIONS**

- 1 THAT the draft articles of association appended to these resolutions be adopted as the articles of association of the Company in substitution for all others
- 2 THAT the provisions contained in the memorandum of association of the company (as in force immediately prior to 1 October 2009) and articles of association of the Company in relation to the objects of the Company be and are hereby revoked
- 3 THAT the provisions contained in the memorandum of association of the Company (as in force immediately prior to 1 October 2009) and articles of association of the Company in relation to the authorised share capital of the Company be and are hereby revoked
- 4 THAT all of the issued share capital of the Company be re-designated as follows
  - 4 1 each A ordinary share of £0 01 each issued in the capital of the Company be and is hereby redesignated as an A1 ordinary share of £0 01 each,
  - 4 2 each B ordinary share of £0 01 each issued in the capital of the Company be and is hereby redesignated as an A2 ordinary share of £0 01 each,
  - 4 3 each C preferred ordinary share of £0 01 each issued in the capital of the Company be and is hereby redesignated as an A3 cumulative redeemable preference share of £0 01, and
  - 4 4 each preference share of £1 00 each issued in the capital of the Company be and is hereby redesignated as an A4 preference shares of £1 00 each



Certified to be true copies of  
the resolutions passed

THURSDAY



A32      "A1JCNNH0"      #347  
11/10/2012  
COMPANIES HOUSE

**EXECUTION VERSION**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**DATACTICS LIMITED**  
**COMPANY NUMBER 03847379**

**(Adopted by special resolution passed on 20 September 2012)**

**A & L GOODBODY**



A32

\*A1JCNNH4\*  
11/10/2012  
COMPANIES HOUSE

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## INTRODUCTION

### 1 INTERPRETATION

- 1 1 In these Articles, unless expressly provided otherwise, the following words have the following meanings

**"Act"** means the Companies Act 2006,

**"Adoption Date"** means<sup>20</sup> September 2012,

**"A1 Ordinary Shares"** means the A1 ordinary shares of £0.01 each in the capital of the Company (having previously been ordinary shares of £0.01 each),

**"A2 Ordinary Shares"** means the A2 ordinary shares of £0.01 each in the capital of the Company (having previously been B ordinary shares of £0.01 each),

**"A2 Original Subscription Price"** means the price for which the relevant B ordinary shares were subscribed (prior to conversion into A2 Ordinary Shares) on the A2 Original Subscription Date,

**"A3 Original Subscription Date"** means the date on which the relevant C cumulative redeemable preference shares were subscribed for (prior to conversion into A3 Preferred Ordinary Shares),

**"A3 Original Subscription Price"** means the price for which the relevant C cumulative redeemable preference shares were subscribed (prior to conversion into A3 Preferred Ordinary Shares) on the A3 Original Subscription Date,

**"A3 Preferred Ordinary Shares"** means the A3 preferred ordinary shares of £0.01 each in the capital of the Company (having previously been C cumulative redeemable preference shares of £0.01 each),

**"A4 Original Subscription Date"** means the date on which the relevant preference shares were subscribed for (prior to conversion into A4 Redeemable Preference Shares),

**"A4 Original Subscription Price"** means the price for which the relevant preference shares were subscribed (prior to conversion into A4 Redeemable Preference Shares) on the A4 Original Subscription Date,

**"A4 Redeemable Preference Shares"** means the A4 cumulative redeemable preference shares of £1.00 each in the capital of the Company (having previously been preference share of £1.00),

**"A Shares"** means the A1 Ordinary Shares, the A2 Ordinary Shares the A3 Preferred Ordinary Shares and the A4 Redeemable Preference Shares,

**"Articles"** means the Company's articles of association for the time being in force,

**"A Shareholder"** means a holder of A Shares,

**"Asset Sale"** means the disposal, sale, conveyance or lease or parting with control by the Company or any subsidiary (by one transaction or by a series of related transactions) of the whole or substantially the whole of its property, undertaking or assets,

**"Available Profits"** means profits available for distribution within the meaning of part 23 of the Act,

**"Board"** means the board of Directors of the Company,

**"B Shares"** means the B ordinary shares of £0.01 each in the capital of the Company,

**"B Shareholder"** means a holder of B Shares,

**"Business Day"** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which banks in the Belfast are generally open for business,

**"Chairperson"** means the chairperson of the Board from time to time,

**"Companies Acts"** has the meaning given to it in the Act,

**"Company"** means Datactics Limited (company number 03847379),

**"Connected"** has the meaning given in section 252 of the Act,

**"Controlling Interest"** means an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,

**"Deemed Transfer Notice"** means a Transfer Notice which is deemed to have been served by any of the provisions of these Articles,

**"Directors"** means the directors of the Company from time to time,

**"Eligible Director"** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter),

**"Employee Shareholder"** means any holder of New Employee Shares or Old Employee Shares,

**"Event"** means an Asset Sale, a Share Sale or a Listing, as the case may be,

**"Fair Value"** has the meaning given in Article 16.2,

**"Family Trust"** means as regards any particular individual Shareholder (or deceased or former individual Shareholder) trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made, or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than the particular Shareholder and/or any of the Privileged Relations of that Shareholder (and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of any such person or any voting or other rights attaching thereto are exercisable by or as directed by any such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

**"Financial Year"** means an accounting reference period (as defined in section 391 of the Act) of the Company,

**"Fund Manager"** means a person whose principal business is to make, manage or advise upon investments in securities,

**"Group"** means the Company and its subsidiaries (if any) from time to time and

**"Group Company"** shall be construed accordingly,

**"holding company"** has the meaning given in section 1159 of the Act,

**"Independent Expert"** means the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants jointly appointed by the Company and the party or parties wishing to establish Fair Value or, in the absence of agreement between the Company and such person or persons on the identity of the expert within ten Business Days of the expiry of the ten Business Day period referred to in Article 16 1, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants of Ireland (Ulster Branch) (in each case acting as an expert and not as an arbitrator),

**"Investor"** means each of Stuart Harvey, Steve Cowler and Michael O'Neill and their Permitted Transferees,

**"Investor Director"** has the meaning given in Article 6,

**"INI"** means Invest Northern Ireland,

**"INI Director"** has the meaning given in Article 6,

**"Listing"** means a successful application being made in relation to all or any of the share capital of the Company for admission to listing to the United Kingdom Listing Authority and admission to trading to the London Stock Exchange plc or a successful application being made to any other recognised investment exchange (as such expression is defined in the Financial Services and Markets Act 2000) for all or any of the share capital of the Company to be admitted to trading on such exchange,

**"Member of the Same Group"** means as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company,

**"Member of the Same Fund Group"** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that person

- (i) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (ii) any Investment Fund managed by that Fund Manager or a Fund Manager which is a Member of the Same Group as that Fund Manager,
- (iii) any trustee, nominee or custodian of such Investment Fund and vice versa,
- (iv) the Fund Manager of that Investment Fund and vice versa, or
- (v) any Member of the same Group as that Fund Manager,

**"Minimum Transfer Condition"** as defined in Article 15 2 5,

**"Model Articles"** means the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date,

**"New Employee Share Option Scheme"** means the employee share option scheme of the Company (adopted in accordance with the terms of any Relevant Agreement),

**"New Employee Shares"** means any B shares to be issued to employees from time to time pursuant to any New Employee Share Option Scheme after the Adoption Date,

**"Old Employee Share Option Scheme"** means an employee share option scheme of the Company in existence prior to the Adoption Date,

**"Old Employee Shares"** means any A1 Ordinary Shares or A2 Ordinary Shares to be issued to employees from time to time pursuant to any Old Employee Share Option Scheme after the Adoption Date,

**"Permitted Transfer"** means a transfer of Shares made in accordance with Article 14,

**"Permitted Transferee"** means in relation to

- (i) a Shareholder (including any Investor) who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust,
- (ii) a Shareholder (including any Investor) which is a company, a Member of the Same Group as that company, and
- (iii) an Investor, to (i) a Member of the Same Fund Group as that Investor, or (ii) a Member of the Same Group as that Investor, or (iii) any nominee of that Investor (or of a Member of the Same Fund Group as that Investor) , or (iv) to any other Investor,
- (iv) INI, to another statutory or government body or to any Fund Manager nominated by Invest NI whose business is to manage investments for and on behalf of Invest NI,

**"Privileged Relation"** means in relation to a Shareholder who is an individual Shareholder (or a deceased or former individual Shareholder) means a spouse, civil partner (as defined in the Civil Partnerships Act 2004), child, grandchild (including step or adopted or illegitimate child and their issue), sibling or parent (including step or adopted),

**"Relevant Agreement"** means any agreement entered into by the Shareholders (which for the purposes of this definition shall include a person whose Shares are held by a bare nominee or custodian) and the Company from time to time in respect of the Company and their dealings with each other,

**"Relevant Leaver"** means an individual who shall have acquired Employee Shares pursuant to an Employee Share Option Scheme but this term shall not apply to any Shares issued prior to the Adoption Date,

**"Relevant Securities"** means any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date, other than the grant of any options under an Employee Share Option Scheme (and the issue of Shares on the exercise of any such options),

**"Shareholder"** a holder for the time being of any Share or Shares,

**"Sale"** means a Share Sale or an Asset Sale,

**"Shares"** means shares (of any class) in the capital of the Company and Share shall be construed accordingly,

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed,

result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the Shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the Shareholders and their shareholdings in the Company immediately before the sale,

**"Specified Drag Majority"** means Shareholders who together hold in excess of 50% of the total issued Shares from time to time, or Shareholders who together hold in excess of 75% of the total issued B Shares from time to time,

**"Specified Tag Majority"** means Shareholders who together hold in excess of 50% of the total issued Shares from time to time,

**"subsidiary"** means in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company,

**"Thule Director"** has the meaning given in Article 6,

**"UUTech Director"** has the meaning given in Article 6,

**"VGF Director"** has the meaning given in Article 6,

1 2 A reference in these Articles to

1 2 1 an **"Article"** is a reference to the relevant numbered article of these Articles,  
and

1 2 2 a **"model article"** is a reference to the relevant article,

unless expressly provided otherwise

1 3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date)

1 4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

1 5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa

1 6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

1 6 1 any subordinate legislation from time to time made under it, and

1 6 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

## 2 ADOPTION OF THE MODEL ARTICLES

2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these

Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation

- 2 2 Model articles 7, 8, 9(1), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 22, 26(5), 38, 39, 44(2) and 51 to 53 (inclusive) shall not apply to the Company
- 2 3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 2 4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

## **DIRECTORS**

### **3. NUMBER OF DIRECTORS**

Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed eight but shall not be less than two

### **4. PROCEEDINGS OF DIRECTORS**

- 4 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 4 2 (subject to Article 4 3 and Article 4 4)
- 4 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 4 3 A decision taken in accordance with Article 4 2 may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 4 4 A decision may not be taken in accordance with Article 4 2 if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with Article 4 6 and Article 4 7
- 4 5 Meetings of the Directors shall take place at least nine times in each year, with a period of not more than two months between any two meetings Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice At least five Business Days' advance notice of each such meeting shall be given to each Director (save as the Board may otherwise determine with the prior consent in writing of the Investor Director and the INI Director (at such times as such Director(s) are in office), when meetings of the Directors may take place less frequently or on shorter notice) For the avoidance of doubt any Director may participate in a meeting of the Directors (including committee meetings) by telephone
- 4 6 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be four Eligible Directors (attending in person or by telephone), which must include any three of the Investor Director, the Thule Director, the Innovation Ulster Director, the VGF Director and the INI Director (or their alternates), unless
  - 4 6 1 there is no Investor Director, Thule Director, Innovation Ulster Director, VGF Director or INI Director in office for the time being, or



- 4 6 2 such Investor Director, Thule Director, Innovation Ulster Director, VGF Director or INI Director has, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing (which may be by email) ahead of such meeting, or
- 4 6 3 such Investor Director, Thule Director, Innovation Ulster Director, VGF Director or INI Director is not, in respect of any particular meeting (or part of a meeting), an Eligible Director

in which case, subject to Article 4 7, the quorum for such meeting (or part of the meeting, as the case may be) shall be any four Eligible Directors (attending in person or by telephone) which must include such of the Investor Director, the Thule Director, Innovation Ulster Director, VGF Director or INI Director as are not to be discounted for quorum purposes in accordance with sub-Articles 4 6 1 to 4 6 3 above. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine.

- 4 7 For the purposes of any meeting (or part of a meeting) held pursuant to Article 8 to authorise a Conflict (as defined in Article 8 1), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director
- 4 8 If the number of Directors in office for the time being is less than two, the Directors in office must not take any decision other than a decision to
  - 4 8 1 appoint further Directors, or
  - 4 8 2 call a general meeting so as to enable the Shareholders to appoint further Directors
- 4 9 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairperson (or other chairperson of the meeting) shall not have a second or casting vote
- 4 10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye
- 4 11 The Directors (acting with the written consent of the Investor Majority) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

## **5. APPOINTMENT AND REMOVAL OF DIRECTORS**

- 5 1 Model article 17(1) shall be modified by the inclusion, at the end of that model article, of the words "provided that the appointment does not cause the number of Directors to exceed the maximum number set out in article 3 1 of these Articles"
- 5 2 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director
  - 5 2 1 he carries out any act or omission which, in the opinion of a majority of the other Directors, brings the Company into disrepute and, as a consequence, a majority of the other Directors resolve that he cease to be a Director,
  - 5 2 2 save in the case of an Investor Director, Thule Director, Innovation Ulster Director, VGF Director or INI Director, a majority of the other Directors resolve that he cease to be a Director,

- 5 2 3 in the case of an executive Director or any employee of the Company who is a Director, he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company, or
- 5 2 4 he is removed by the Investors, Thule, Innovation Ulster, VGF or by INI (as relevant) pursuant to Article 6 of these Articles
- 5 3 Model article 18(c) shall be modified by the insertion of the following after the words "that person's debts"
- 5 3 1 "and a majority of the other Directors resolve that he cease to be a Director "
- 5 4 Model article 18(f) shall be modified by the insertion of the following after the words "with its terms"
- 5 4 1 ", subject always to such resignation being in accordance with any provisions relating to that Director's resignation as set out in his contract of employment or service agreement with the Company "
- 6. INVESTOR DIRECTOR, INI DIRECTOR AND CHAIRPERSON**
- 6 1 For so long as the Investors (or any of them) together hold B Shares representing at least five per cent of the total B Shares in issue the Investors together shall be entitled by notice in writing to the Company to (i) appoint one Director (the "**Investor Director**") and by like notice to remove the Investor Director at any time and from time to time by like notice to appoint any other person to be the Investor Director in place of the person so removed and (ii) to appoint one observer to the Board and by like notice to remove such observer at any time and from time to time by like notice to appoint any other person to be an observer in place of the person so removed The first such Investor Director shall be Stuart Harvey
- 6 2 For so long as INI holds Shares it shall be entitled by notice in writing to the Company (i) to appoint one non-executive Director (the "**INI Director**") and by like notice to remove the INI Director at any time and from time to time by like notice to appoint any other person to be the INI Director in place of the person so removed and (ii) to appoint one observer to the Board and by like notice to remove such observer at any time and from time to time by like notice to appoint any other person to be an observer in place of the person so removed
- 6 3 For so long as Thule holds B Shares representing at least five per cent of the total B Shares in issue or A Shares representing at least five per cent of the total A Shares in issue (or both) it shall be entitled by notice in writing to the Company to (i) appoint one Director (the "**Thule Director**") and by like notice to remove the Thule Director at any time and from time to time by like notice to appoint any other person to be the Thule Director in place of the person so removed and (ii) to appoint one observer to the Board and by like notice to remove such observer at any time and from time to time by like notice to appoint any other person to be an observer in place of the person so removed The first such Thule Director shall be Sigurdur Saevarsson
- 6 4 For so long as Innovation Ulster holds B Shares representing at least five per cent of the total B Shares in issue or A Shares representing at least five per cent of the total A Shares in issue (or both) it shall be entitled by notice in writing to the Company to (i) appoint one Director (the "**Innovation Ulster Director**") and by like notice to remove the Innovation Ulster Director at any time and from time to time by like notice to appoint any other person to be the Innovation Ulster Director in place of the person so removed and (ii) to appoint one observer to the Board and by like notice to remove such observer at any time and from time to time by like notice to appoint any other person to be an observer in place of the person so removed The first such Innovation Ulster Director shall be Tim Brundle

6 5 For so long as VGF holds B Shares representing at least five per cent of the total B Shares in issue or A Shares representing at least five per cent of the total A Shares in issue (or both) it shall be entitled by notice in writing to the Company to (i) appoint one Director (the "VGF Director") and by like notice to remove the VGF Director at any time and from time to time by like notice to appoint any other person to be the VGF Director in place of the person so removed and (ii) to appoint one observer to the Board and by like notice to remove such observer at any time and from time to time by like notice to appoint any other person to be an observer in place of the person so removed. The first such VGF Director shall be Neil Simms.

6 6 If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any meeting of the Directors, the Directors present at the meeting must appoint another Director present at the meeting to chair the meeting and the appointment of the chairperson of the meeting must be the first business of the meeting.

## **7. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

7 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

7 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,

7 1 2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested,

7 1 3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,

7 1 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,

7 1 5 may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

7 1 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

## **8. DIRECTORS' CONFLICTS**

8 1 The Directors may, in accordance with the requirements set out in this Article 8, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest ("Conflict")

- 8 2 Any authorisation under this Article 8 will be effective only if
- 8 2 1 the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles,
  - 8 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
  - 8 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted
- 8 3 Any authorisation of a Conflict under this Article 8 may (whether at the time of giving the authorisation or subsequently)
- 8 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
  - 8 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
  - 8 3 3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
  - 8 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit,
  - 8 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
  - 8 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters
- 8 4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict
- 8 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 8 6 A Director, notwithstanding his office, may be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in his appointor(s) (or any Permitted Transferee of such appointor(s)) and no authorisation under Article 8 1 shall be necessary in respect of any such interest
- 8 7 Subject to the provisions of any Relevant Agreement, the Investor Director shall be entitled from time to time to disclose to any Investor (and to any Permitted Transferee of an Investor) such information concerning the business and affairs of the Company as he shall at his discretion see fit

- 8 8 Subject to the provisions of any Relevant Agreement, the INI Director shall be entitled from time to time to disclose to INI and to Clarendon Fund Managers/other representative or fund manager appointed by INI (and to any Permitted Transferee of INI) such information concerning the business and affairs of the Company as he shall at his discretion see fit
- 8 9 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## 9 SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

## SHARES AND DISTRIBUTIONS

### 10 RIGHTS ATTACHING TO SHARES

- 10 1 The A Shares and B Shares shall be separate classes of shares and shall enjoy the rights, privileges and restrictions set out below but in other respects shall rank pari passu

- 10 2 For the purposes of this Article 10,

**"Adoption Reserves"** means the balances of the retained profits and other reserves shown by the consolidated accounts of the Company and its subsidiaries as at the Adoption Date

**"A Profits"** means the A Proportion of Profits and other recognised gains net of losses in any Financial Year (or, where the Financial Year shall be longer or shorter than twelve months such greater or smaller sum as applies pro rata) which shall accrue to the A Reserve,

**"B Profits"** means the B Proportion of Profits and other recognised gains net of losses in any Financial Year (or, where the Financial Year shall be longer or shorter than twelve months such greater or smaller sum as applies pro rata) which shall accrue to the B Reserve,

**"A Proportion"** means the proportion which the number of A Shares in issue from time to time bears to the total number of Shares in issue at that time,

**"B Proportion"** means the proportion which the number of B Shares in issue from time to time bears to the total number of Shares in issue at that time,

**"A Reserve"** means the A Proportion (calculated on the day after the Adoption Date and recalculated on the date falling 3 months from the Adoption Date) of the Adoption Reserves (plus the A Profits that have accrued since the Adoption Date, less any dividends paid or accrued in relation to the A Shares,

**"B Reserve"** means the B Proportion (calculated on the day after the Adoption Date and recalculated on the date falling 3 months from the Adoption Date) of the Adoption Reserves plus the B Profits that have accrued since the Adoption Date, less any dividends paid in relation to the B Shares,

**"Profits"** means the profits of the Company shown by the consolidated profit and loss account of the Company and its subsidiaries, after tax, extraordinary and exceptional income and/or expenses (including the profit or loss of disposal of any subsidiary or in respect of any part of the trade and assets of the Company or its subsidiaries) but before dividends,

***Rights attaching to A Shares and B Shares***

- 10 3 The amount of any Profits or reserves capitalised in paying up any new shares allotted to the holders of the A Shares or B Shares shall be deducted from the relevant A Reserve or B Reserve respectively
- 10 4 The amount standing to the credit of the A Reserve and the B Reserve shall be payable only to the holders of the A Shares or the B Shares (as the case may be) respectively
- 10 5 The impact on the A Reserve and the B Reserve following the allotment of Old Employee Shares shall be borne solely from the A Reserve
- 10 6 The impact on the A Reserve and the B Reserve following the allotment of New Employee Shares shall be borne equally by the A Reserve and the B Reserve

***Dividend rights attaching to A1 and A2 Ordinary Shares and B Shares***

- 10 7 A dividend may be declared and paid to the holders of A1 Ordinary Shares and the A2 Ordinary Shares or the B Shares from the A Reserve and B Reserve respectively provided always that
  - 10 7 1 such dividend is authorised by a majority of the Board, and
  - 10 7 2 the auditors for the time being have certified that there are adequate A Reserves or B Reserves (as applicable)

***Dividend rights attaching to A3 Preferred Ordinary Shares***

- 10 8 The A3 Preferred Ordinary Shares shall confer upon the holders thereof as a class the right in priority to any payment by way of dividend from the A Reserve to the other A Shareholders to receive a fixed cumulative preferential dividend (the **A3 Preferred Dividend**) from the A Reserve payable on conversion
- 10 9 The A3 Preferred Dividend shall be an amount equal to 8% of the A3 Original Subscription Price per A3 Preferred Ordinary Share in respect of each Financial Year from the A3 Original Subscription Date until conversion into A1 Ordinary Shares pursuant to these Articles or otherwise in accordance with Article 10 23 and proportionately for any part of a year
- 10 10 The A3 Preferred Dividend shall ipso facto and without any resolution of the Directors or of the Company in general meeting accrue from day to day and shall on the due date for payment become a debt due from and payable by the Company on conversion

***Dividend rights attaching to A4 Redeemable Preference Shares***

- 10 11 The A4 Redeemable Preference Shares shall confer upon the holders thereof as a class the right in priority to any payment by way of dividend from the A Reserve to the other A Shareholders (excluding the holders of the A3 Preferred Ordinary Shares) to receive a fixed cumulative preferential dividend (the **A4 Preferred Dividend**) from the A Reserve payable in accordance with Articles 10 34 and 10 35

- 10 12 The A4 Preferred Dividend shall be an amount equal to 6% of the A4 Original Subscription Price per A4 Redeemable Preference Share in respect of each Financial Year from the A4 Original Subscription Date until redemption pursuant to these Articles and proportionately for any part of a year
- 10 13 The A4 Preferred Dividend shall ipso facto and without any resolution of the Directors or of the Company in general meeting accrue from day to day and shall on the due date for payment (being the date arising pursuant to Article 10 23) become a debt due from and payable (in accordance with Articles 10 31 to 10 34) by the Company

***Rights attaching to A Shares and B Shares upon an Event***

- 10 14 The net proceeds of a Share Sale or Listing shall be distributed between the holders of the A Shares and B Shares for the time being as follows
- 10 14 1 An amount equal to the A Proportion to the A Shareholders, to be applied in the following order of priority
- (1) first, in paying to the holders of the A3 Preferred Ordinary Shares in respect of each A3 Preferred Ordinary Share held the amount being double the A3 Original Subscription Price per A3 Preferred Ordinary Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A3 Preferred Ordinary Share calculated down to (and including) the date completion of the Share Sale or Listing and, if there is a shortfall of proceeds remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A3 Preferred Ordinary Share pro rata to the aggregate amounts due under this Article 10 14 1 for each such A3 Preferred Ordinary Share held,
  - (2) second, in paying to the holders of the A4 Redeemable Preference Shares in respect of each A4 Redeemable Preference Share held the A4 Original Subscription Price per A4 Redeemable Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A4 Redeemable Preference Share calculated down to (and including) the date completion of the Share Sale or Listing and, if there is a shortfall of proceeds remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A4 Redeemable Preference Share pro rata to the aggregate amounts due under this Article 10 14 1 for each such A4 Redeemable Preference Share held, and
  - (3) third, in paying to the holders of the A2 Ordinary Shares in respect of each A2 Ordinary Share held the A2 Original Subscription Price per A2 Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that A2 Ordinary Share and, if there is a shortfall of proceeds remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A2 Ordinary Shares pro rata to the aggregate amounts due under this article 10 14 1 to each such A2 Ordinary Share held, and
  - (4) thereafter, in distributing the balance among the holders of the A Shares pro rata to the number of A Shares held, on the basis that they all constituted shares of the same class
- 10 14 2 An amount equal to the B Proportion to the B Shareholders, pro rata to the number of B Shares held by each B Shareholder as a proportion of all of the B Shares in issue,

and the Directors shall not register any transfer of Shares if the consideration

payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale or Listing (the **Sale Proceeds**) is not distributed in that manner provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale or Listing the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale or Listing have been distributed as set out in this Article 10 14

10 15 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) between the holders of the A Shares and B Shares as follows

10 15 1 An amount equal to the A Proportion to the A Shareholders, to be applied in the following order of priority

- (1) first, in paying to the holders of the A3 Preferred Ordinary Shares in respect of each A3 Preferred Ordinary Share held the amount being double the A3 Original Subscription Price per A3 Preferred Ordinary Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A3 Preferred Ordinary Share calculated down to (and including) the date of completion of the Asset Sale and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A3 Preferred Ordinary Share pro rata to the aggregate amounts due under this Article 10 15 1 for each such A3 Preferred Ordinary Share held,
- (2) second, in paying to the holders of the A4 Redeemable Preference Shares in respect of each A4 Redeemable Preference Share held the A4 Original Subscription Price per A4 Redeemable Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A4 Redeemable Preference Share calculated down to (and including) the date of completion of the Asset Sale and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A4 Redeemable Preference Share pro rata to the aggregate amounts due under this Article 10 15 1 for each such A4 Redeemable Preference Share held, and
- (3) third, in paying to the holders of the A2 Ordinary Shares in respect of each A2 Ordinary Share held the A2 Original Subscription Price per A2 Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that A2 Ordinary Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A2 Ordinary Shares pro rata to the aggregate amounts due under this article 10 18 3 to each such A2 Ordinary Share held, and
- (4) thereafter, in distributing the balance among the holders of the A Shares pro rata to the number of A Shares held, on the basis that they all constituted shares of the same class

10 15 2 An amount equal to the B Proportion to the B Shareholders, pro rata to the number of B Shares held by each B Shareholder as a proportion of all of the B Shares in issue,

provided that, if the sale proceeds are not distributed to the Shareholders then the sale proceeds are accrued as to one half to the A Reserve and one half to the B Reserve



- 10 16 On an Event (whether pursuant to the drag along or tag along provisions or pursuant to any other exit provisions in any Relevant Agreement, these Articles or otherwise howsoever occurring) the Investors, Innovation Ulster, VGF and INI shall not be obliged to give any warranties, indemnities or undertakings other than warranties in respect of the title to their respective Shares

***Rights to surplus assets on liquidation attaching to A Shares and B Shares***

- 10 17 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) as follows
- 10 17 1 in paying to the B Shareholders an amount equal to the B Reserve in accordance with Article 10 19 below,
- 10 17 2 in paying to the A Shareholders an amount equal to the A Reserve in accordance with Article 10 18 below,
- 10 17 3 in paying to the B Shareholders an amount equal to one half of the balance of the surplus assets available for distribution (the **B Liquidation Proportion**) in accordance with Article 10 19 below, and
- 10 17 4 in paying to the A Shareholders an amount equal to one half of the balance of the surplus assets available for distribution (the **A Liquidation Proportion**) in accordance with Article 10 18 below

***Liquidation preference attaching to A Shares***

- 10 18 The A Liquidation Proportion and the A Reserve shall be applied between the A Shareholders in the following order of priority
- 10 18 1 first, in paying to the holders of the A3 Preferred Ordinary Shares in respect of each A3 Preferred Ordinary Share held the amount being double the A3 Original Subscription Price per A3 Preferred Ordinary Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A3 Preferred Ordinary Share calculated down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A3 Preferred Ordinary Share pro rata to the aggregate amounts due under this Article 10 16 1 for each such A3 Preferred Ordinary Share held,
- 10 18 2 second, in paying to the holders of the A4 Redeemable Preference Shares in respect of each A4 Redeemable Preference Share held the A4 Original Subscription Price per A4 Redeemable Preference Share, together with a sum equal to any arrears and accruals of the Preferred Dividend in respect of that A4 Redeemable Preference Share calculated down to (and including) the date of the return of capital and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A4 Redeemable Preference Share pro rata to the aggregate amounts due under this Article 10 16 2 for each such A4 Redeemable Preference Share held, and
- 10 18 3 third, in paying to the holders of the A2 Ordinary Shares in respect of each A2 Ordinary Share held the A2 Original Subscription Price per A2 Ordinary Share, together with a sum equal to any arrears and accruals of dividend in respect of that A2 Ordinary Share and, if there is a shortfall of assets remaining to satisfy such payments in full, the proceeds shall be distributed to the holders of the A2 Ordinary Shares pro rata to the aggregate amounts

due under this article 10 18 3 to each such A2 Ordinary Share held, and

10 18 4 thereafter, in distributing the balance among the holders of the A Shares pro rata to the number of A Shares held, on the basis that they all constituted shares of the same class

***Liquidation preference attaching to B Shares***

10 19 The B Liquidation Proportion and the B Reserve shall be applied between the B Shareholders pro rata to the number of B Shares held as a proportion of all of the B Shares in issue

***Conversion rights attaching to A3 Preferred Ordinary Shares***

10 20 The A3 Preferred Ordinary Shares may, at the absolute discretion of the holder of the A3 Preferred Ordinary Shares be converted into A1 Ordinary Shares at any time

10 21 Each A3 Preferred Ordinary Share shall be converted into one A1 Ordinary Share

10 22 The conversion shall be effected by notice in writing given to or by the holder of the A3 Preferred Ordinary Shares. The conversion shall take effect immediately upon the delivery of such notice by the holder of the A3 Preferred Ordinary Shares to the Company unless such notice states that the conversion is to be effective from any other date within 30 days from the date of the notice

10 23 Immediately upon conversion taking effect, the holders of the A1 Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their holdings of A3 Preferred Ordinary Shares for cancellation and the Company shall issue to such holders respectively certificates for the A1 Ordinary Shares resulting from the conversion

10 24 From the date of conversion, the A1 Ordinary Shares resulting from the conversion shall rank pari passu with the other A1 Ordinary Shares

10 25 On the date of conversion (or as soon after that date as it is possible to calculate the amount payable), the Company shall, if it has sufficient A Reserves, pay to the holders of the A3 Preferred Ordinary Shares falling to be converted, a dividend from the A Reserve equal to all arrears and accruals of the A3 Preferred Dividend in relation to those A3 Preferred Ordinary Shares (to be calculated on a daily basis down to (and including) the date of conversion). If the Company has insufficient A Reserves to pay all such arrears and accruals of dividends then the same shall be capitalised into A1 Ordinary Shares at the current Fair Value for the A1 Ordinary Shares

10 26 For the avoidance of doubt, all A3 Preferred Ordinary Shares not converted into A1 Ordinary Shares pursuant to these Articles shall remain as A3 Preferred Ordinary Shares in the share capital of the Company

***Automatic conversion rights attaching to A3 Preferred Ordinary Shares***

10 27 All of the A3 Preferred Ordinary Shares shall automatically convert into A1 Ordinary Shares on the date of a Listing or on the date that the holders of at least 51% or more of the A3 Preferred Ordinary Shares notify the Company in writing that the A3 Preferred Ordinary Shares should convert to A1 Ordinary Shares (each such date referred to herein as the **Automatic Conversion Date**) in accordance with the terms of this Article 10 27

10 28 Each holder of the relevant A3 Preferred Ordinary Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board for any lost share certificate) for the shares being converted (together with such other evidence (if any) as the Board may reasonably require to prove good title to those shares) to the

Company at its registered office for the time being on the Automatic Conversion Date

- 10 29 Where conversion of A3 Preferred Ordinary Shares is mandatory on the occurrence of a Listing, that conversion shall be effective only immediately before such Listing (and **Automatic Conversion Date** shall be construed accordingly) If such Listing does not become effective, or does not take place, such conversion shall be deemed not to have occurred
- 10 30 On the Conversion Date, the relevant A3 Preferred Ordinary Shares shall (without any further authority than that contained in these Articles) stand converted into A1 Ordinary Shares on the basis of one A1 Ordinary Share for each A3 Preferred Ordinary Share held and the A1 Ordinary Shares resulting from the conversion shall rank pari passu in all other respects with the existing issued A1 Ordinary Shares
- 10 31 On the Automatic Conversion Date, the Company shall enter the holder of the converted A3 Preferred Ordinary Shares on the register of Shareholders of the Company as the holder of the appropriate number of A1 Ordinary Shares and, subject to the relevant holder of A3 Preferred Ordinary Shares delivering the relevant share certificate (or indemnity or other evidence) in respect of the A3 Preferred Ordinary Shares in accordance with this Article, the Company shall, within 5 Business Days of the Automatic Conversion Date, forward a definitive share certificate for the appropriate number of fully paid A1 Ordinary Shares to such holder of A3 Preferred Ordinary Shares by post to his address as shown in the register of Shareholders, at his own risk and free of charge
- 10 32 On the Automatic Conversion Date (or as soon after that date as it is possible to calculate the amount payable), the Company shall, if it has sufficient A Reserves, pay to the holders of the A3 Preferred Ordinary Shares falling to be converted, a dividend from the A Reserve equal to all arrears and accruals of A3 Preferred Dividend in relation to those A3 Preferred Ordinary Shares (to be calculated on a daily basis down to (and including) the Automatic Conversion Date) If the Company has insufficient A Reserves to pay all such arrears and accruals of dividends then the same shall be capitalised into A1 Ordinary Shares at the current Fair Value for the A1 Ordinary Shares

***Redemption rights attaching to A4 Redeemable Preference Shares***

- 10 33 If the main business activities of the Company are relocated outside of Northern Ireland at any time then the A4 Redeemable Preference Shares may, at the absolute discretion of the holder of the A4 Redeemable Preference Shares be redeemed out of the A Reserve at the price of 100 pence per A4 Redeemable Preference Share (the Redemption Price) by written notice to the Company
- 10 34 All of the A4 Redeemable Preference Shares in issue shall be redeemed out of the A Reserve at the Redemption Price together with a redemption premium of fifteen percent of the Redemption Price
- 10 34 1 on the occurrence of a Sale (but conditionally upon such a Sale taking place),
- 10 34 2 the occurrence of a Listing (but conditionally upon such a Listing being obtained),
- 10 35 Otherwise, the A4 Redeemable Preference Shares shall be redeemed at the Redemption Price on 5 November 2015

***Redemption provisions applicable to the A4 Redeemable Preference Shares***

- 10 36 Any A4 Redeemable Preference Shares to be redeemed pursuant to these Articles shall be redeemed on the relevant date (insofar as the Company shall be able to

comply with the provisions of the Act relating to redemption or so soon after the said date as the Company shall be able to comply with the provisions of the Act) upon, and subject to, the following terms and conditions

- 10 36 1 Where the holder of the A4 Redeemable Preference Shares wishes to exercise its rights to redeem it shall serve on the Company written notice of redemption not later than 90 days prior to the proposed date of redemption which notice shall be irrevocable and shall specify the number of A4 Redeemable Preference Shares to be redeemed, such A4 Redeemable Preference Shares to be redeemed amongst the holders of the A4 Redeemable Preference Shares for the time being in the proportion in which their holding of A4 Redeemable Preference Shares bears to the total number of the relevant class of A4 Redeemable Preference Shares outstanding prior to each such redemption. At the time and place so fixed the registered holders of the A4 Redeemable Preference Shares to be redeemed shall be bound to deliver to the Company the certificates for such A4 Redeemable Preference Shares (or an indemnity in respect thereof reasonably satisfactory to the Company) for cancellation and thereupon the Company shall pay to (or to the order of) such holders all the monies payable in respect of the redemption of such A4 Redeemable Preference Shares and such payment shall be made from the A Reserve through a bank if the Company shall think fit. If any certificate so delivered to the Company shall include any A4 Redeemable Preference Shares not redeemed on the occasion for which it is so delivered, the Company shall issue without charge a fresh certificate for such A4 Redeemable Preference Shares,
- 10 36 2 There shall be paid out of the A Reserve on the redemption of each A4 Redeemable Preference Share the Redemption Price, a redemption premium of fifteen percent of the Redemption Price together with all accruals (if any) of the A3 Preference Dividend payable thereon calculated up to and including the date of redemption. If the Company has insufficient A Reserves to pay the Redemption Price together with such accruals to the holders of the A4 Redeemable Preference Shares being redeemed on the redemption date, then such amounts shall be capitalised into A1 Ordinary Shares at the current Fair Value for the A1 Ordinary Shares. The receipt of the registered holder for the time being of any A4 Redeemable Preference Shares so redeemed or in the case of joint registered holders the receipt of any of them for money payable on redemption thereof or receipt of A1 Ordinary Shares, shall constitute an absolute discharge of the Company in respect thereof,
- 10 36 3 The dividends payable on each A4 Redeemable Preference Share becoming liable to be redeemed under the foregoing provisions shall continue to accrue until actual redemption of such A4 Redeemable Preference Share unless such failure to redeem shall be due to the failure of the holder to deliver up the certificate in respect of such A4 Redeemable Preference Shares or an indemnity in respect thereof,
- 10 36 4 If any holder of A4 Redeemable Preference Shares whose shares are liable to be redeemed under this Article shall fail or refuse to deliver up the certificate for his shares the Company may retain the redemption monies until delivery up of the certificate or of the indemnity in respect thereof reasonably satisfactory to the Company and shall within seven days thereafter pay the redemption monies to the shareholders. No holder of A4 Redeemable Preference Shares shall have any claim against the Company in respect of interest on monies retained pursuant to this Article

***Voting rights attaching to A4 Redeemable Preference Shares***

- 10 37 The holders of the A4 Redeemable Preference Shares shall have the right to receive notice of all General Meetings of the Company but shall have no right to attend or vote thereat either in person or by proxy by virtue or in respect of their holdings of A4 Redeemable Preference Shares, unless
- 10 37 1 at the date convened for the General Meeting any A3 Redeemable Preference Dividend has not been paid when due (or in accordance with any extensions agreed with the holders of the A4 Redeemable Preference Shares) for whatever reason, or
- 10 37 2 at the date convened for the General Meeting the Company shall have failed or been unable to redeem on the due date (or in accordance with any extensions agreed with the holders of the A4 Redeemable Preference Shares) the A4 Redeemable Preference Shares then due for redemption, or
- 10 37 3 the business of the General Meeting includes a resolution for the winding up of the Company or a resolution for the reduction of capital of the Company (other than for the purposes of redemption of any of the A4 Redeemable Preference Shares as provided in these Articles) or a resolution varying or abrogating any of the special rights attached to the A4 Redeemable Preference Shares (in which event a right to vote only on such resolution shall be conferred on the A4 Redeemable Preference Shares), or
- 10 37 4 the Company is in breach of any financial covenant given to any bank or other financial institution except where such breach is only a minor or technical breach and where the holder of the A4 Redeemable Preference Shares, acting reasonably, does not believe the bank or financial institution will use the breach to declare an event of default or to otherwise enforce its contractual rights arising as a result of such breach or
- 10 37 5 the Company is insolvent or, in the reasonable opinion of the holder of the A4 Redeemable Preference Shares the Company is likely to become insolvent within the meaning set out in article 103 of the Insolvency (Northern Ireland) Order 1989
- 10 38 Upon the happening of an event specified in Article 10 37 above and for so long as the circumstances comprising such event shall subsist any holder of A4 Redeemable Preference Shares may serve a notice in writing upon the Company specifying that with effect from the date of such notice and for so long as aforesaid, the holders of the A4 Redeemable Preference Shares as a class shall be entitled to voting rights as set out below
- 10 39 Whenever the holders of the A4 Redeemable Preference Shares are entitled to vote at a General Meeting of the Company upon any resolution proposed at such General Meeting on a show of hands and on a poll every holder thereof who (being an individual) is present in person or by proxy or (if a corporation) by a duly authorised representative shall have one vote in respect of each fully paid A4 Redeemable Preference Share registered in his name
- 10 40 If the voting rights attaching to the A4 Redeemable Preference Shares would, on the basis of the previous Article, represent more than 6% of the voting rights attaching to all A Shares in the capital of the Company, the voting rights attaching to the A4 Redeemable Preference Shares shall (unless otherwise determined by the holder of the A4 Redeemable Preference Shares) be decreased so that they represent 6% of the total voting rights attaching to A Shares
- 10 41 In the event that any one or more of the circumstances or events giving rise to the application of articles 10 37 1 to 10 37 4 (inclusive) above shall arise or occur (and for

so long as such circumstances or events shall subsist) the Directors shall, upon receipt of a written requisition to that effect signed by any member holding A4 Redeemable Preference Shares, forthwith convene a General Meeting for a date not later than 28 days after receipt of the requisition to consider such resolution(s) as shall be specified in such requisition and in default, such member shall be entitled to convene such General Meeting but any General Meeting so convened shall not be held after the expiry of 56 days after the date of such requisition

#### ***Conversion Rights Attaching to A4 Redeemable Preference Shares***

- 10 42 Except where they have already been redeemed, the A4 Redeemable Preference Shares may, at the absolute discretion of the holder of the A4 Redeemable Preference Shares be converted into A1 Ordinary Shares at the end of the period commencing on 5th November 2003 and ending on 5 November 2011 (the **Initial Period**)
- 10 43 If at the end of the Initial Period the A4 Redeemable Preference Shares have not been redeemed and the holder of the A4 Redeemable Preference Shares serves notice that it wishes to convert the A4 Redeemable Preference Shares into A1 Ordinary Shares such A4 Redeemable Preference Shares shall be converted on the first anniversary of the last day of the Initial Period
- 10 44 Each A4 Redeemable Preference Share shall be converted into 0 00865 A1 Ordinary Shares
- 10 45 The conversion shall be effected by notice in writing given to or by the holder of the A4 Redeemable Preference Shares The conversion shall take effect in accordance with the terms of Article 10 43 above upon the delivery of such notice by the holder of the A4 Redeemable Preference Shares
- 10 46 Immediately conversion takes effect, the holders of the A1 Ordinary Shares resulting from the conversion shall send to the Company the certificates in respect of their holdings of A4 Redeemable Preference Shares and the Company shall issue to such holders respectively certificates for the A1 Ordinary Shares resulting from the conversion
- 10 47 From the date of conversion, the A1 Ordinary Shares resulting from the conversion shall rank *pari passu* with the other A1 Ordinary Shares
- 10 48 On the date of conversion the Company shall pay a dividend to the holders of the A4 Redeemable Preference Shares of a sum equal to any arrears or accruals (if any) of the A4 Preferred Dividend calculated on a daily basis
- 10 49 For the avoidance of doubt, all A4 Redeemable Preference Shares not converted into A1 Ordinary Shares pursuant to this Article 10 shall remain as A4 Redeemable Preference Shares in the share capital of the Company
- 10 50 When a notice is served pursuant to Article 10 43 all A4 Redeemable Preference Shares shall be converted into A1 Ordinary Shares pursuant to Article 10 43 and the A4 Redeemable Preference Shares shall no longer be redeemable

#### **11. PRE-EMPTION ON ISSUE**

- 11 1 In accordance with section 568 of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company
- 11 2 Unless otherwise agreed by special resolution passed in accordance with section 283 of the Act, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders (other than Employee Shareholders in respect of their

holdings of Employee Shares) holding Shares of the same class as the Relevant Securities (the Relevant Shareholder) on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares of that class held by those holders (as nearly as possible without involving fractions and discounting any Employee Shares held) The offer

- 11 2 1 shall be in writing, and give details of the number and subscription price of the Relevant Securities, and
  - 11 2 2 invite the Relevant Shareholders to apply in writing within the period from the date of the offer to the date ten Business Days after the date of the offer (inclusive) for the maximum number of Relevant Securities for which they wish to subscribe, and
  - 11 2 3 may stipulate that any Relevant Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (Excess Securities) for which they wish to subscribe
- 11 3 If the aggregate number of Relevant Securities applied for exceeds the aggregate number offered, the Directors shall allocate the Relevant Securities to the applicants pro rata to the number of Shares of that class (excluding any Employee Shares) held by the applicants immediately before the offer was made to Relevant Shareholders in accordance with Article 11 1 (as nearly as possible without involving fractions)
- 11 4 Any Relevant Securities not accepted by Relevant Shareholders pursuant to the offer made to them in accordance with Article 11 1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 11 1 If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares (excluding any Employee Shares) held by the applicants immediately before the offer was made to Relevant Shareholders in accordance with Article 11 1 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Relevant Shareholder beyond that applied for by him)
- 11 5 Subject to Articles 11 1 to 11 4 and to sections 549 to 551 (inclusive) of the Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

## **12. VARIATION OF CLASS RIGHTS**

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such 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 at least 75% in nominal value of the issued Shares of that class

## **13. TRANSFERS OF SHARES: GENERAL**

- 13 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share
- 13 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles Subject to Article 13 4, the Directors shall register any duly stamped transfer made in accordance with

these Articles, unless they suspect that the proposed transfer may be fraudulent

- 13 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have immediately served a Transfer Notice in respect of all Shares held by him
- 13 4 The Directors shall as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the existing Shareholder agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between the Shareholders and the Company in such form as the Directors may require. The transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee
- 13 5 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may require
- 13 5 1 any holder (or the legal representatives of a deceased holder), or
- 13 5 2 any person named as a transferee in a transfer lodged for registration, or
- 13 5 3 such other person as the Directors may reasonably believe to have information relevant to that purpose,
- 13 5 4 to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose
- 13 6 If any such information or evidence referred to in Article 13 5 is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors within five Business Days of receipt of such written notice, then
- 13 6 1 the relevant Shares shall cease to confer on the holder of them any rights
- (1) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- (2) to receive dividends or other distributions (other than the amount to which they may be entitled) otherwise attaching to those Shares, or
- (3) to participate in any future issue of Shares issued in respect of those Shares, and
- 13 6 2 the Directors may, by notice in writing to the relevant holder, determine that a Transfer Notice shall be deemed to have been given in respect of some or all of his Shares with effect from the date of service of the notice (or such later date as may be specified in such notice)
- 13 7 The Directors may reinstate the rights referred to in Article 13 6 1 at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to Article 13 6 2 on completion of such transfer on completion of a transfer made pursuant to Article 13 6 2
- 13 8 Unless expressly provided otherwise in these Articles, if a Transfer Notice is deemed to have been given under these Articles, the Deemed Transfer Notice shall be treated as having specified that



- 13 8 1 it does not contain a Minimum Transfer Condition, and
- 13 8 2 the Seller wishes to transfer all the Shares held by him (including any Shares acquired after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice)
- 13 9 Any Transfer Notice (but not an a Drag Along Notice (as defined in Article 19) or a Tag Along Notice (as defined in Article 20)) served in respect of the transfer of any Share which has not completed before the date of service of a Deemed Transfer Notice shall automatically be revoked by the service of a Deemed Transfer Notice
- 14. PERMITTED TRANSFERS OF SHARES**
  - 14 1 The holder of the A4 Redeemable Preference Shares may transfer its interest as holder of A4 Redeemable Preference Shares to any replacement (or amalgamated) statutory public body
  - 14 2 A Shareholder (the "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee
  - 14 3 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to
    - 14 3 1 the Original Shareholder,
    - 14 3 2 any Privileged Relation(s) of the Original Shareholder,
    - 14 3 3 subject to Article 14 4, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor, or
    - 14 3 4 subject to Article 14 4, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,
 without any price or other restriction
  - 14 4 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied
    - 14 4 1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s),
    - 14 4 2 with the identity of the proposed trustee(s),
    - 14 4 3 that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts, and
    - 14 4 4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company
  - 14 5 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to
    - 14 5 1 the Original Shareholder, or
    - 14 5 2 a Member of the Same Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 14 5, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 14 5

- 14 6 If the Original Shareholder is an Investment Fund (or nominee of such person) and a Permitted Transfer has been made, the Permitted Transferee shall, within 15 of Business Days of ceasing to be a Member of the Same Fund Group as the Original Shareholder, transfer the Shares held by it to

14 6 1 the Original Shareholder, or

14 6 2 a Member of the Same Fund Group as the Original Shareholder,

(which in either case is not in liquidation), without any price or other restriction. If the Permitted Transferee fails to make a transfer in accordance with this Article 14 6, a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 14 6

- 14 7 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Privileged Relation of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 15 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either

14 7 1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or

14 7 2 give a Transfer Notice to the Company in accordance with Article 14 7,

failing which a Transfer Notice shall be deemed to have been given in respect of such Shares on the expiry of the period set out in this Article 14 7. This Article 14 7 shall not apply to a transmittee of a Permitted Transferee if that transmittee is also a Permitted Transferee of the Original Shareholder, to the extent that such transmittee is legally or beneficially entitled to those Shares

## 15 PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

- 15 1 Except where the provisions of Article 17 or Article 19 apply and subject always to the terms of any Relevant Agreement, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this Article 15

- 15 2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, before transferring or agreeing to transfer any Shares, give notice in writing (a "**Transfer Notice**") to the Company specifying

15 2 1 the number of Shares he wishes to transfer (the "**Sale Shares**"),

15 2 2 whether the Sale Shares comprise A Shares or B Shares (hereafter such Sale Shares being A Sale Shares and B Sale Shares as applicable) or a consolidation of both,

15 2 3 the name of the proposed transferee, if any,

15 2 4 the price per Sale Share (in cash), if any, at which he wishes to transfer the Sale Shares (the "**Proposed Sale Price**"), and

15 2 5 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold (a "**Minimum Transfer Condition**")

- 15 3 Once given, a Transfer Notice may only be withdrawn with the consent of the Directors
- 15 4 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price
- 15 5 As soon as practicable following the later of
- 15 5 1 receipt of a Transfer Notice (or in the case of a Deemed Transfer Notice, the date such notice is deemed to be served), and
- 15 5 2 the determination of the Transfer Price,
- the Directors shall (unless the Transfer Notice is withdrawn in accordance with this Article 15) offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article 15 at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered. The Company shall offer the Shares to the other Shareholders, on the basis set out in Article 15 6 to Article 15 17 (inclusive)
- 15 6 The Directors shall offer the A Sale Shares to the A Shareholders (other than the Seller and any Shareholder holding only Employee Shares) (the "Other A Shareholders" and the B Sale Shares to the B Shareholders (other than the Seller) (the "Other B Shareholders") as the case may be, inviting them to apply in writing within the period from the date of the offer to the date ten Business Days after the offer (both dates inclusive) (the "First Offer Period") for the maximum number of Sale Shares they wish to buy
- 15 7 If
- 15 7 1 at the end of the First Offer Period
- (1) the number of A Sale Shares applied for exceeds the number of A Sale Shares, the Directors shall allocate the A Sale Shares
- (a) Firstly to the holders of the A3 Preferred Ordinary Shares up to the full amount of A Sale Shares which they each stated that they are willing to buy, and where there are insufficient A Sale Shares available to satisfy such application, the Directors shall allocate the A Sale Shares to the holders of the A3 Preferred Ordinary Shares in the proportion to which their holding of A3 Preferred Ordinary Shares bears to the total number of A3 Preferred Ordinary Shares in issue, and
- (b) Secondly, to each Other A Shareholder who has applied for A Sale Shares in the proportion which his existing holding of A Shares (excluding any Employee Shares and A3 Preferred Ordinary Shares) bears to the total number of A Shares held by all Other A Shareholders (excluding any Employee Shares and A3 Preferred Ordinary Shares)
- (2) the number of B Sale Shares applied for exceeds the number of B Sale Shares, the Directors shall allocate the B Sale Shares to each Other B Shareholder who has applied for B Sale Shares in the proportion which his existing holding of B Shares bears to the total number of B Shares held by all Other B Shareholders

Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being

allocated, in which case, the allocation of any such fractional entitlements shall be determined by the Directors) No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy,

- 15 7 2 not all Sale Shares are allocated following allocations in accordance with Article 15 7 1, but there are applications for Sale Shares that have not been satisfied, the Directors shall allocate the remaining Sale Shares to such applicants in accordance with the procedure set out in Article 15 7 1 The procedure set out in this Article 15 7 2 shall apply on any number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied, and
- 15 7 3 at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or less than the number of Sale Shares, the Directors shall allocate the A Sale Shares to the Other A Shareholders and the B Sale Shares to the other B Shareholders accordance with their applications Any balance (the "Surplus Shares") shall be dealt with in accordance with Article 15 9
- 15 8 Any Shareholder who has not applied for any of the Sale Shares within the First Offer Period shall be deemed to have declined (along with any Shareholders who have otherwise declined, the "Declining Shareholders") and the Other Shareholders, excluding such Declining Shareholders, shall be the "Second Offer Shareholders"
- 15 9 At the end of the First Offer Period, the Directors shall offer the Surplus Shares (if any) to the Second Offer Shareholders, inviting them to apply in writing within the period from the date of the offer to the date five Business Days after the offer (both dates inclusive) (the "Second Offer Period") for the maximum number of Surplus Shares they wish to buy
- 15 10 The procedure set out in Articles 15 7 1 and 15 7 2 shall be repeated in respect of the Surplus Shares as if references in such Articles to the "First Offer Period" were instead to the "Second Offer Period" as if references to the "Other Shareholders" were instead to the "Second Offer Shareholders"
- 15 11 If, at the end of the Second Offer Period, the total number of Surplus Shares applied for is less than or equal to the number of Surplus Shares, the Directors shall allocate the Surplus Shares to the Second Offer Shareholders in accordance with their applications
- 15 12 Where the Transfer Notice contains a Minimum Transfer Condition
- 15 12 1 any allocation made under Articles 15 6 to 15 11 (inclusive) shall be conditional on the fulfilment of the Minimum Transfer Condition, and
- 15 12 2 if the total number of Sale Shares applied for under Articles 15 6 to 15 11 (inclusive) is less than the number of Sale Shares, the Board shall notify the Seller and all those Shareholders to whom Sale Shares have been conditionally allocated stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect
- 15 13 Where either
- 15 13 1 the Transfer Notice does not contain a Minimum Transfer Condition, or
- 15 13 2 allocations have been made in respect of all the Sale Shares,
- the Directors shall, when no further offers or allocations are required to be made under Articles 15 6 to 15 11 (inclusive), give notice in writing of the allocations of Sale

Shares (an "Allocation Notice") to the Seller and each Shareholder to whom Sale Shares have been allocated (each an "Applicant") The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least ten Business Days, but not more than twenty Business Days, after the date of the Allocation Notice)

15 14 On the date specified for completion in the Allocation Notice, the Seller shall, against payment from an Applicant, transfer the Sale Shares allocated to such Applicant, in accordance with any requirements specified in the Allocation Notice

15 15 If the Seller fails to comply with Article 15 15

15 15 1 the Chairperson (or, failing him, any other Director or some other person nominated by a resolution of the Directors) may, as agent and attorney on behalf of the Seller)

(1) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

(2) receive the Transfer Price and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Transfer Price), and

(3) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

15 15 2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Directors, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

15 16 Where a Transfer Notice lapses pursuant to Article 15 13 or an Allocation Notice does not relate to all the Sale Shares, then the Seller may, at any time during the fifteen Business Days following the date of lapse of the Transfer Notice, or the date of service of the Allocation Notice as the case may be, transfer the Sale Shares (in the case of a lapsed offer) or the Remaining Surplus Shares (as the case may be) to any person at a price at least equal to the Transfer Price The sale of the Sale Shares in accordance with this Article 15 17 shall continue to be subject to any Minimum Transfer Condition

15 17 The Seller's right to transfer Shares under Article 15 17 does not apply if the Directors reasonably consider that

15 17 1 the transferee is a person (or a nominee for a person) whom the Board determines to be a competitor (or a Member of the Same Group as a competitor) of the business of any Group Company,

15 17 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

15 17 3 the Seller has failed or refused to promptly provide information available to him and reasonably requested to enable the Directors to form the opinion referred to in Article 15 17

## **16 VALUATION**

- 16 1 The Transfer Price for each Sale Share the subject of a Transfer Notice (or Deemed Transfer Notice) shall, save where expressly provided otherwise in these Articles, be the price per Sale Share (in cash) agreed between the Directors (any Director with whom the Seller is connected not voting) and the Seller or, in default of agreement within ten Business Days of the date of service of the Transfer Notice (or, in the case of a Deemed Transfer Notice, the date on which the Board first has actual knowledge of the facts giving rise to such deemed service), the Fair Value of each Sale Share
- 16 2 The Fair Value shall be the price per Sale Share or the value per A1 Ordinary Share (for the purposes of the capitalisation of arrears and accruals of dividends pursuant to Article 10 (the "Capitalisation") (together the "Valuation Shares") determined by the Independent Expert on the following bases and assumptions
- 16 2 1 valuing the Valuation Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served) or in the date of conversion (or applicable),
- 16 2 2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
- 16 2 3 that the Valuation Shares are capable of being transferred without restriction,
- 16 2 4 valuing the Valuation Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
- 16 2 5 reflecting any other factors which the Independent Expert reasonably believes should be taken into account
- 16 2 6 If any difficulty arises in applying any of these assumptions or bases then the Independent Expert shall resolve that difficulty in whatever manner it shall in its absolute discretion think fit
- 16 3 The Directors will give the Independent Expert access to all accounting records or other relevant documents of the Group, subject to it agreeing such confidentiality provisions as the Directors may reasonably impose
- 16 4 The parties are entitled to make submissions to the Independent Expert including oral submissions and shall provide (or procure that others provide) the Independent Expert with such assistance and documents as the Independent Expert may reasonably require for the purpose of reaching a decision
- 16 5 The Independent Expert shall act as expert and not as arbitrator and its determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 16 6 The Independent Expert shall be requested to determine the Fair Value within fifteen Business Days of its appointment and to deliver its certificate to the Company Forthwith upon receipt, the Company shall deliver a copy of the certificate to the Seller or the parties to the Capitalisation (as applicable)
- 16 7 The cost of obtaining the Independent Expert's certificate shall be borne by the parties in such proportions as the Independent Expert directs unless
- 16 7 1 the Seller withdraws the relevant Transfer Notice in accordance with Article 0,  
or

16 7 2 in respect of a Deemed Transfer Notice, the Fair Value is less than the price per Sale Share offered to the Seller by the Directors before the appointment of the Independent Expert,

16 8 If the Capitalisation does not proceed then the Company shall bear the costs in obtaining the independent Export's certificate

## **17. COMPULSORY TRANSFERS**

17 1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside Northern Ireland) shall be deemed to have immediately given a Transfer Notice in respect of that Share upon that Share vesting in or being otherwise transferred to him. If the bankrupt Shareholder is an employee of the Company and such person is not a 'Good Leaver' (the transfer price for the relevant Shares shall be deemed to be the Bad Leaver Sale Price (as defined in Article 18 and the provisions of these Articles applying to the deemed Transfer Notice shall be interpreted accordingly

17 2 If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside Northern Ireland, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine

17 3 If there is a change in control (as 'control' is defined in section 1124 of the Corporation Tax Act 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its name (or the name of its nominee(s)) save that, where that Shareholder acquired Shares as a Permitted Transferee of an Original Shareholder, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee of that Original Shareholder before being required to serve a Transfer Notice. This Article 0 shall not apply to a Shareholder that is an Investor or to INI or their Permitted Transferees

## **18. RELEVANT LEAVER**

18 1 If a Relevant Leaver

18 1 1 gives or receives notice to terminate the office or employment by virtue of which he held shares or was or has been eligible to participate in an Employee Share Option Scheme, or ceases to hold office or employment with the Company or any Group Company for any reason which qualifies under the definition of Good Leaver then the Relevant Leaver is deemed to have immediately given a Transfer Notice in respect of all the Employee Shares as shall have been issued to him pursuant to an Employee Share Option Scheme and which shall then be registered in his name and the provisions of these Articles shall apply in relation to such transfer **PROVIDED THAT** the sale price shall be deemed in respect of each of such Employee Shares to be the higher of the subscription price paid by the Relevant Leaver for each of his Employee Shares and the Fair Value determined by the Auditors in accordance with these Articles

18 1 2 gives or receives notice to terminate the office or employment by virtue of which he held shares or was or has been eligible to participate in any Employee Share Option Scheme, or ceases to hold office or employment with the Company or any Group Company for any reason which does not qualify under the definition of Good Leaver then the Relevant Leaver is

deemed to have immediately given a Transfer Notice in respect of all the Employee Shares as shall have been issued to him pursuant to an Employee Share Option Scheme and which shall then be registered in his name and the provisions of the Articles shall apply in relation to such transfer **PROVIDED THAT** the sale price shall be deemed in respect of each of such Employee Shares to be the lower of the subscription price paid by the Relevant Leaver for each of his Employee Shares and 50% of the Fair Value as determined by the Auditors in accordance with the Articles (the "Bad Leaver Sale Price")

**PROVIDED THAT** if such Transfer Notice under Article 18 1 1 is deemed to have been given within the period of 12 months commencing on the Adoption Date, the sale price shall be deemed in respect of each of the relevant Employee Shares only, to be the subscription Price paid by the Relevant Leaver for each of his Employee Shares

## **19. DRAG ALONG**

- 19 1 If a Specified Drag Majority from time to time (the "**Selling Shareholders**") wish to transfer all their interest in their 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 remaining Shareholders (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 and subject to the remaining provisions of this Article 19
- 19 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a "**Drag Along Notice**") no later than 14 days 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 Shares (the "**Called Shares**") pursuant to this Article 19, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 19 4) and the proposed date of transfer
- 19 3 Drag Along Notices 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 90 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 19 4 The Called Shareholders shall be obliged to sell each of the Called Shares at the same price per share and on the same terms and conditions of sale as attributed by the offer from the Third Party Purchaser to the Sellers' Shares (and save that the provisions of this Article 19 will not oblige the Investors, VGL, Innovation Ulster or INI to give any warranties or indemnities to such Third Party Purchaser other than warranties in respect of the title to their respective shares)
- 19 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
  - 19 5 1 all of the Called Shareholders and the Selling Shareholders agree otherwise, or
  - 19 5 2 that date is less than three days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice
- 19 6 For the avoidance of doubt any rights of pre-emption or transfer restrictions set out in this Agreement and/or the Articles shall not apply on any transfer of Shares to a Third Party Purchaser (or as it may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served in accordance with this Article 19



- 19 7 If any Shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him such defaulting holder shall be deemed to have irrevocably appointed the Chairperson of the Company (or failing him the Company Secretary of the Company) 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 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 such person. It shall be no impediment to registration of shares under this Article 19 that no share certificate has been produced.
- 19 8 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (other than for the avoidance of doubt the Third Party Purchaser) (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 who 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 19 shall apply mutatis mutandis to the New Member save that completion of the sale of such Ordinary Shares shall take place within three days upon the Drag Along Notice being deemed served on the New Member.

## 20. TAG ALONG

If a Specified Tag Majority proposes to make any transfer to a third party (or third parties) who is (are) not already a Shareholder of any Shares (the relevant Specified Tag Majority Shareholder(s) for the purpose of this Article 20 being together the "**Transferor**") then the following procedure shall first be implemented

- 20 1 1 the Transferor shall notify the remaining Shareholders (the "**Remaining Shareholders**") in writing (the "**Tag Along Notice**") of the number of Shares proposed to be transferred together with the price and the terms and conditions upon which the Transferor is proposing to transfer such Shares,
- 20 1 2 within 14 days of the date of the Tag Along Notice, each Remaining Shareholder shall be entitled to notify the Transferor if they elect to transfer an Equivalent Percentage (as defined in Article 20 1 4 below) of their Shares (the "**Tag Shares**"). If any of the Remaining Shareholders fail to notify the Transferor within such 14 day period they shall be deemed to have waived their rights under this Article 20 in respect of such transfer,
- 20 1 3 if the Remaining Shareholders elect to transfer all of their Tag Shares the Transferor shall not be entitled to transfer his/her Shares referred to in Article 19 above unless the Transferor procures that those Shareholders who have elected to transfer their Tag Shares have the right to sell all of their Tag Shares to the relevant third party (or third parties) at the same price and on the same terms and conditions as those applicable to the Transferor (and save that the provisions of this Article 20 will not oblige the Investors, VGL, Innovation Ulster or INI to give any warranties or indemnities to such Third Party Purchaser other than warranties in respect of the title to their respective shares), and
- 20 1 4 for the purposes of this Article 20 "**Equivalent Percentage**" shall mean a percentage calculated as follows

$$\frac{a}{b} \times c$$

where

"a" is the number of Shares proposed to be sold by the Transferors,  
"b" is the total number of Shares held by the Transferors,  
"c" is 100

## **21. ALTERATION OF SHARE CAPITAL**

21 1 The Company may by ordinary resolution, with consent of a majority of the holders of B Shares

21 1 1 increase its share capital by new shares of such amount as the resolution prescribes,

21 1 2 consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares, and

21 1 3 subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amounts and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others

## **DECISION-MAKING BY SHAREHOLDERS**

## **22. GENERAL MEETINGS**

22 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be four persons present in person or by proxy, of whom two shall be holders of A Shares or duly authorised representatives of such holders and two shall be holders of B Shares or duly authorised representatives of such holders

22 2 No business other than, subject to Article 22 3, the appointment of the chairperson of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

22 3 The Chairperson shall chair general meetings. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairperson of the meeting must be the first business of the meeting

## **23. VOTING**

23 1 Subject to any other provisions in these Articles concerning voting rights specifically in respect of the A4 Redeemable Preference Shares at Article 10 36, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company

23 2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

23 3 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article

23 4 Model article 45(1) shall be amended by

23 4 1 the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and

23 4 2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article

#### **24. LIEN, CALLS ON SHARES AND FORFEITURE**

24 1 The Company has a lien (the "Company's Lien") over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

24 2 The provisions of articles 52(2) and (3), 55, 56(2), 57(2), (3) and (4), 59, 60, 61 and 62 for public companies set out in Schedule 3 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, save that each reference in those articles to a "member" or "members" shall be deemed to be references to a "Shareholder" or "Shareholders" (as the case may be)

#### **25. ENFORCEMENT OF THE COMPANY'S LIEN**

25 1 Subject to the provisions of this Article 25, if

25 1 1 a Lien Enforcement Notice has been given in respect of a Share, and

25 1 2 the person to whom the notice was given has failed to comply with it,

25 1 3 the Company may sell that Share in such manner as the Directors decide

#### **26. A LIEN ENFORCEMENT NOTICE**

26 1 1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,

26 1 2 must specify the Share concerned,

26 1 3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),

26 1 4 must be addressed either to the holder of the Share or to a transmittee of that holder, and

26 1 5 must state the Company's intention to sell the Share if the notice is not complied with

26 2 Where Shares are sold under this Article 26

26 2 1 the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and

- 26 2 2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale
- 26 3 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied
  - 26 3 1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
  - 26 3 2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the Shares) after the date of the Lien Enforcement Notice
- 26 4 A statutory declaration by a Director that the declarant is a Director and that a Share has been sold to satisfy the Company's Lien on a specified date
  - 26 4 1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - 26 4 2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share
- 27. CALL NOTICES**
  - 27 1 Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "Call") which is payable to the Company at the date when the Directors decide to send the Call Notice
  - 27 2 A Call Notice
    - 27 2 1 may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company,
    - 27 2 2 must state when and how any Call to which it relates is to be paid, and
    - 27 2 3 may permit or require the Call to be made in instalments
  - 27 3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent
  - 27 4 Before the Company has received any Call due under a Call Notice the Directors may
    - 27 4 1 revoke it wholly or in part, or
    - 27 4 2 specify a later time for payment than is specified in the notice, by a further notice in writing to the Shareholder in respect of whose Shares the Call is made
  - 27 5 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

- 27 5 1 on allotment,
- 27 5 2 on the occurrence of a particular event, or
- 27 5 3 on a date fixed by or in accordance with the terms of issue

## **28. FORFEITURE**

- 28 1 If a person is liable to pay a Call and fails to do so by the Call payment date
  - 28 1 1 the Directors may issue a notice of intended forfeiture to that person, and
  - 28 1 2 until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate
- 28 2 A notice of intended forfeiture
  - 28 2 1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,
  - 28 2 2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder,
  - 28 2 3 must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
  - 28 2 4 must state how the payment is to be made, and
  - 28 2 5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited
- 28 3 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit

## **ADMINISTRATIVE ARRANGEMENTS**

### **29 NOTICES**

- 29 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
  - 29 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
  - 29 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
  - 29 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

- 29 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website
- 29 2 For the purposes of this Article 29, no account shall be taken of any part of a day that is not a working day
- 29 3 In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act
- 30. INDEMNITY AND INSURANCE**
- 30 1 Subject to Article 30 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled
- 30 1 1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer
- 30 1 2 in the actual or purported execution and/or discharge of his duties, or in relation thereto , and
- 30 1 3 in relation to the Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),
- 30 1 4 including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and
- 30 1 5 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in this Article 30 1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure
- 30 2 This Article 30 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law
- 30 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss
- 30 4 In this Article 30
- 30 4 1 **"Relevant Loss"** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and
- 30 4 2 **"Relevant Officer"** means any director or other officer or former director or other officer of any Group Company (including any company with is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act),

but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor