

COMPANY NO. 04241498

THE COMPANIES ACTS 1985 and 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

AQUASIUM TECHNOLOGY LIMITED

(the Company)

(adopted by Special Resolution passed on 11 April 2024)

INTRODUCTION

- 1.1 The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 ("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" in the first paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.
- 1.3 Regulations 8, 40, 41, 50, 54, 64, 73 to 80 (inclusive), 82, 87, 89, 94 to 97 (inclusive), 115 and 118 of Table A shall not apply to the Company.

DEFINITIONS

2.1 In these Articles the following words and expressions shall have the following meanings:

"the Act"	The Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"the 2006 Act"	The Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force;
"the Acts"	The Companies Act 1985, the Companies Act 1989 and the Companies Act 2006;
"Auditors"	The auditors for the time being of the company;
"A" Ordinary Shareholders"	The holders for the time being of the issued "A" Ordinary Shares;
"A" Ordinary Shares"	The "A" Ordinary Shares of £1.00 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"B" Ordinary Shareholders"	The holders for the time being of the issued "B" Ordinary Shares;
"B" Ordinary Shares"	The "B" Ordinary Shares of £1.00 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"a Conflict Situation"	a situation in which a director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself;
"Connected"	As defined by Section 1122 of the Corporation Tax Act 2010;

"Deed of Adherence"	A deed adhering to the Investment Agreement in such form and with such substance as the Investors shall require from time to time;
"the Directors"	The directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;
"Employee Options"	The options to subscribe for, in aggregate, up to 11,304 "B" Ordinary Shares to be granted to officers or employees of or consultants to the Company, as such options (including their terms and any pre-agreed vesting criteria) are approved by both the Investor Director from time to time;
"Eligible Sale"	Means any of the following: <ul style="list-style-type: none"> (a) a Sale which completes on or before midnight on 31 December 2014; or (b) a Sale which completes after 31 December 2014 but the agreement made between the relevant Selling Members for the purchase of the relevant Equity Shares was entered into prior thereto and provided that completion (of the Sale) was subject to one or more conditions being satisfied; (b) where the relevant offeror has entered into an agreement (in writing) with the Company and the Equity Shareholders (including the Investors) on or before 31 December 2014, pursuant to which it has been granted exclusive rights in relation its Offer, but the Sale completes (on materially the same terms as are contemplated by such agreement) by no later than 31 March 2015;
"Equity Shares"	Ordinary Shares, "A" Ordinary Shares and "B" Ordinary Shares;
"Equity Shareholders"	The holders for the time being of issued Equity Shares;
"equity share capital", "subsidiary" and "holding company"	Shall have the meanings set out in Sections 548 and 1159 of the 2006 Act;

"Foresight"	Foresight VCT PLC, a company registered in England and Wales under number 3421340, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU;
"Identical Period"	The same period of time that was used to determine the Projected EBITDA, being from 1 January to 31 December;
"Income and Growth"	The Income and Growth VCT Plc (formerly Trivest VCT Plc), a company registered in England and Wales under number 4069483, whose registered office is at 30 Haymarket, London SW1Y 4EX;
"the Inter Creditor Agreement"	The inter creditor agreement dated 27 November 2008 made between inter alia, Barclays Bank Plc (1) the Company, Cambridge Vacuum Engineering Limited, Cambridge Vacuum Engineering Inc (2) and Foresight and Income and Growth (3) (as amended, varied or supplemented from time to time);
"Investor Affiliate"	Any such party as is referred to in Article 10.2.4, provided that it is managed or advised by the same investment manager or investment advisor as an Investor;
"the Investor Director"	The person appointed as director of the Company pursuant to Articles 21.2 and/or Article 21.3;
"the Investors"	Together Foresight, and Income and Growth (and each an "Investor");
"Investors' Loans"	the loans advanced by the Investors to the Company pursuant to the Investment Agreement and an "Investor's Loan" shall mean any of the Investors' Loans, so made;
"the Investment Agreement"	The agreement dated 26 October 2001 made between inter alia, the Company (1), and Messrs John Cumberland and Others (2), Foresight (3) and Income and Growth (as defined therein) (4) (as amended, varied or supplemented from time);
"Listed or Listing"	The admission of the share capital of the Company (or any part thereof) to the Official List of the UK Listing Authority and the admission to trading on the main

market of the London Stock Exchange or (ii) the same being admitted to trading on the Alternative Investment Market or (iii) the same being admitted to trading on any recognised investment exchange as defined by Section 285 of the Financial Services and Markets Act 2000;

“Member”

Means any holder of any share in the capital of the Company from time to time;

“Net Sale Proceeds”

The proceeds of a Sale remaining after deducting the following:

- (a) the payment of the reasonable costs, charges and expenses incurred by the Selling Members and the Company respectively;
- (b) the monies received (or to be received) by the Investors in respect of the repayment of the Investors’ Loans (including any interest and commission accrued thereon); and
- (c) the monies received (or to be received) by the Company in respect of the repayment of all other debts and liabilities of the Company required to be repaid on completion of the Sale (as approved by the Investor Director at that time, acting reasonably);

“Non-Continuing Costs”

all those costs that the Company would not be expected to continue to incur after any Sale, such costs to be determined using the same policies, practices and principles (including methodologies) as those used when determining such costs for the purposes of the Projected EBITDA, consistently applied;

"Offer"

Either:

- (i) an offer to purchase not less than 90% of the Equity Shares for the time being in issue (which shall include, for the avoidance of doubt, all of the Equity Shares that are the subject of any Employee Option(s) then in existence) other than those already held by the offeror and/or any persons acting in concert with him (as defined in the City Code on Take-overs and Mergers); or
- (ii) the entering into of one or more agreements which will result in any persons who are acting in concert (as defined above) acquiring not less than 90% of the Equity Shares for the time being in issue (which shall include, for the avoidance of doubt, all of the Equity Shares that are the subject of any Employee Option(s) then in existence), which agreements are unconditional or subject only to conditions in the sole control of any or all of the persons who are acting in concert;

"Ordinary Shares"

The Ordinary Shares of £1.00 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;

"Ordinary Shareholders"

The holders for the time being of the issued Ordinary Shares;

"the paid up amount"

in respect of any share, the amount paid or credited as paid up on that share, excluding sums paid, or credited as paid by way of premium;

"Pre-Sale EBITDA"

The earnings of the Company before interest taxation, depreciation and amortisation for the first full Identical Period that precedes the date on which the Sale completes, being determined on the same bases and using the same policies, practices and principles (including methodologies) used in determining the Projected EBITDA, consistently applied, and after having been adjusted to remove any Non-Continuing Costs for that period (as such

Pre-Sale EBITDA shall be approved by the Directors, including the Investor Director);

“Projected EBITDA”

The projected earnings, before interest taxation, depreciation and amortisation of the Company for the 12 month period ended 31 December 2013, after having been adjusted so as to remove all costs that the Directors (including the Investor Director) consider the Company would not be expected to continue to incur after any Sale, being £1,162,000;

"Sale"

Completion of the transaction(s) envisaged by an Offer;

“Selling Member”

A holder of Equity Shares who disposes of any of his Equity Shares to an offeror(s) pursuant to the Sale.

SHARE CAPITAL

3.1 The issued share capital of the Company at the date of adoption of these Articles is £262,888 divided into 130,000 Ordinary Shares, 129,999 "A" Ordinary Shares and 2,889 "B" Ordinary Shares.

3.2 In these Articles, unless the context requires otherwise, references to Equity Shares shall include shares of those respective classes created and/or issued after the date of adoption of these Articles.

The Equity Shares shall have, and be subject to, the following rights and restrictions:

4.1 Income

The distribution of any of the profits of the Company shall require the prior approval of a special resolution. The profits of the Company which the Company may so resolve to distribute shall be distributed amongst the Ordinary Shareholders and the "A" Ordinary Shareholders *pari passu* as if the Ordinary Shares and the "A" Ordinary Shares constituted one class of shares in proportion to the paid up amounts on the Ordinary Shares and the "A" Ordinary Shares held by them respectively.

Regulations 102 to 105 (inclusive) of Table A shall be subject to this Article 4.1 and in Regulation 103 of Table A the words from "If the share capital is divided" to the end of the Regulation shall be deleted.

The "B" Ordinary Shares shall confer upon the holders thereof no right at any time to receive any dividend.

4.2 Capital

4.2.1 Upon any Sale the Net Sale Proceeds shall be distributed amongst the Selling Members as follows:

(A) on any Sale which is an Eligible Sale, the holders of "A" Ordinary Shares shall receive an amount equal to the respective "A Shares Percentage(s)" of the bands of Net Sale Proceeds set out below (and being distributed as between such shareholders *pari passu* in proportion to the number of "A" Ordinary Shares held by them) and the holders of Ordinary Shares and "B" Ordinary Shares shall receive an amount equal to the respective "Non-A Share Percentage(s)" of the bands of Net Sale Proceeds set out below (and being distributed as between such shareholders *pari passu* (as if the same constituted one class of Shares) in proportion to the number of Ordinary Shares or "B" Ordinary Shares held by them):

- (1) Firstly, in respect of up to and including the first £3,000,000 of Net Sale Proceeds, an amount equal to 70% thereof representing the A Share Percentage and an amount equal to 30% thereof representing the Non-A Share Percentage;
- (2) Secondly, in respect of any Net Sale Proceeds falling between £3,000,001 and £4,000,000, an amount equal to 35% thereof representing the A Share Percentage and an amount equal to 65% thereof representing the Non-A Share Percentage;
- (3) Thirdly, in respect of any Net Sale Proceeds falling between £4,000,001 and £6,000,000, an amount equal to 15% thereof representing the A Share Percentage and an amount equal to 85% thereof representing the Non-A Share Percentage;
- (4) Fourthly, in respect of any Net Sale Proceeds falling between £6,000,001 and £10,000,000, an amount equal to 10% thereof representing the A Share Percentage and an amount equal to 90% thereof representing the Non-A Share Percentage;

- (5) Fifthly, in respect of any Net Sale Proceeds in excess of £10,000,001, an amount equal to 50% thereof representing the A Share Percentage and an amount equal to 50% thereof representing the Non-A Share Percentage;
- (B) on any Sale other than an Eligible Sale, the provisions of Article 4.2.1(A) shall apply mutatis mutandis SAVE THAT the figures used for the respective bands of Net Sale Proceeds at 4.2.1(A)(1) to (5) (inclusive) above shall, in each case, be adjusted to increase by the same percentage increase (if any) that the Pre-Sale EBITDA bears to the Projected EBITDA.

[Worked Examples:

- (1) where the Pre-Sale EBITDA is £1.4525m, being a 25% increase on the Projected EBITDA, each of the figures for the respective bands of Net Sale Proceeds at (A)(1) to (5) (inclusive) above shall be adjusted to increase each of them by 25%, so band (1) up to £3,750,000, band (2) £3,750,001 to £5,000,000, band (3) £5,000,001 to £7,500,000, band (4) £7,500,001 to £12,500,000 and bank (5) in excess of £12,500,001;
- (2) where the Pre-Sale EBITDA is £1.162m (or less), each of the figures for the respective bands of Net Sale Proceeds at (A)(1) to (5) (inclusive) above shall not be adjusted at all.]

If there is any disagreement by (or on behalf of) the Investor Director as to the amount of the Pre-Sale EBITDA (or the manner in which it has been determined) then the Directors shall request the Auditors (acting as experts and not as arbitrators) to resolve such disagreement and the opinion of the Auditors shall be final and binding on the Company and each of the Selling Members. The costs of the Auditors shall be borne as the Auditors may direct.

To the extent that any Member does not dispose of any Equity Share(s) to the relevant offeror(s) pursuant to any Sale ("Retained Shares") then any such Retained Shares shall not confer any right to receive any distribution made pursuant to this Article 4.2 and the method of apportionment between the holders of the relevant class(es) shall be adjusted to reflect that such retained Share(s) do not carry the right to participate and any and all references in this Article 4.2 to a holder of "A" Ordinary Shares, "B" Ordinary Shares or Ordinary Shares respectively shall only be to any individual who

is a holder of such shares who is a Selling Member and only in respect of those shares (of the relevant class) that they are disposing of pursuant to the Sale.

Where the consideration involves the payment of cash it shall be paid into a designated trustee account until such time as it falls to be distributed in accordance with this Article 4.2.

On each occasion on which any contingent or deferred consideration or similar shall in fact be received, the provisions of Article 4.2 shall be reopened and reapplied treating that late receipt as an amount actually received for the purposes of this Article 4.2 to determine the allocation of the same and, for that purpose, the calculations used in allocating consideration already received shall be reworked PROVIDED ALWAYS THAT no value already allocated shall be reallocated and this provision shall serve only to allocate the additional consideration later received.

For the avoidance of doubt, in the event of a Sale, this Article 4.2.1 shall apply notwithstanding anything to the contrary in the terms of such Sale (unless all the holders of Equity Shares immediately prior to the Sale have agreed in writing to the contrary expressly for the purposes of this provision), whether in the agreements for Sale or otherwise.

4.2.2 On a return of assets on liquidation or capital reduction or similar, the assets of the Company remaining after the payment of its liabilities shall be applied in the same manner as if they were proceeds of a Sale under Article 4.2.1 with all Members of the Company being selling Members and, for the avoidance of doubt, the provisions of Article 4.2.1 (and each of the definitions used therein) shall apply mutatis mutandis to govern the basis of such application (between Members) under this Article 4.2.2.

4.2.3 Notwithstanding any of the foregoing, in order to comply with Chapter 4, Part 6 of the Income Tax Act 2007 as amended, the Investors shall not be entitled on a return of assets on liquidation or capital reduction or otherwise to receive in aggregate more than 50% of the capital available for payment to all members.

4.3 Voting

Subject to the special rights or restrictions as to voting attached to any shares:

- 4.3.1 on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote; and
- 4.3.2 on a poll every Ordinary Shareholder and every "A" Ordinary Shareholder who is present in person or by a proxy or (being a corporation) by a representative shall have one vote for every Ordinary Share and every "A" Ordinary Share of which he is the holder.

The "B" Ordinary Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

4.4 Issue of further shares

Immediately prior to a Sale or Listing the Investors shall be entitled to subscribe, at par and in proportion to the number of Equity Shares (of the relevant class) held by each of them, for such number of "A" Ordinary Shares as will result, following the issue and allotment thereof, in their holding, in aggregate, shares representing not more than 49.9998% of the total number of Equity Shares then in issue or capable of being issued on the exercise of all options then outstanding or proposed to be granted prior to the Sale or Listing.

ISSUE OF NEW SHARES

- 5.1 Subject to Articles 5.2 5.3 and 5.4 and without prejudice to Article 4.4 any new shares from time to time created shall before they are issued be offered to the Ordinary Shareholders and the "A" Ordinary Shareholders in proportion to the number of Ordinary Shares and/or "A" Ordinary Shares held by them (and for the purposes of this Article 5.1 the Ordinary Shares and the "A" Ordinary Shares shall be treated as if they comprised one class of shares).

The offer shall be made by notice in writing specifying the number and class of shares offered and the price per share (which shall be the same price per share) and stating a time (not being less than thirty days or greater than forty two days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person to whom the offer is made that he declines to accept the shares offered or any of them, the Directors shall, first, offer the shares declined in like manner to the holders of the same class of Equity Shares as the person to whom they were originally offered who have agreed to subscribe for all the shares offered to them and, second, to the holders of

the other class of Equity Shares (other than “B” Ordinary Shareholders) who have agreed to subscribe for all the shares offered to them. If the shares comprised in such further offers are declined or deemed to be declined the further offers shall be withdrawn.

5.2 The provisions of Article 5.1 shall not apply to any issue of shares pursuant to Article 4.4, and/or to the issue of Ordinary Shares pursuant to the Employee Options and may in any event be disapplied in relation to any class of shares by special resolution (subject to Article 6.2.15).

5.3 Subject to this Article 5 and to the provisions of Section 551 of the 2006 Act, the shares in the capital of the Company at the date of the adoption of these articles shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount and that:

5.3.1 no shares to which Article 5.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such shares made under Article 5.1 unless the procedure set out in Article 5.1 is repeated in respect of such shares (and so that the time limit set out in this Article 5.3.1 shall apply equally to any repetition of that procedure); and

5.3.2 no shares shall be issued at a price less than that at which they were offered to the Members in accordance with Article 5.1 and so that (if the Directors are proposing to issue such shares wholly or partly for a non-cash consideration) the cash equivalent of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its members.

5.4 The provisions of Section 561(1) and 562(1) to (7) of the 2006 Act shall not apply to the Company.

VARIATION OF CLASS RIGHTS

6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may 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 three fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that

class, but not otherwise. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply mutatis mutandis except that:

- 6.1.1 the necessary quorum shall be at least two persons holding or representing by proxy one third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and
- 6.1.2 the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.

6.2 Without prejudice to the generality of this Article, it is a term of issue of the "A" Ordinary Shares that the following events shall be deemed to be an attempted variation of the rights attaching to such shares and shall therefore require class consent in accordance with Article 6.1:

- 6.2.1 any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of the Company;
- 6.2.2 any resolution to wind up the Company or any subsidiary;
- 6.2.3 any increase in the issued capital of the Company other than an issue of "B" Ordinary Shares pursuant to the Employee Options;
- 6.2.4 any reduction or sub-division or consolidation of the authorised or issued share capital of the Company;
- 6.2.5 the grant by the Company of a right to subscribe for or to convert securities into shares in the capital of the Company except for any Employee Options;
- 6.2.6 the disposal of the undertaking and assets of the Company or of any of its subsidiaries or any substantial part thereof or by the disposal of any share in the capital of any subsidiary of the Company;
- 6.2.7 the acquisition of any interest in any share in the capital of any company by the Company or any of its subsidiaries;
- 6.2.8 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company;

- 6.2.9 any alteration of the restrictions on the powers of the directors of the Company and its subsidiaries to borrow, give guarantees or create charges;
- 6.2.10 the redemption of any of the Company's shares or the entering into of a contract by the Company to purchase any of its shares;
- 6.2.11 any alteration of the Company's memorandum or articles of association;
- 6.2.12 the appointment or removal of the Auditors;
- 6.2.13 any alteration of the Company's accounting reference date;
- 6.2.14 the entering into of a written service agreement with any director or Connected person or the material variation of any such existing service agreement with any such person;
- 6.2.15 any special resolution pursuant to Article 5.2; or
- 6.2.16 the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article 6.2 be a variation of such class rights.

LIEN

The Company shall have a first and paramount lien on every share (whether or not fully paid) for all and any indebtedness of any holder thereof to the Company (whether a sole holder or one of two or more joint holders) in respect of the shares concerned.

REGISTRATION OF TRANSFERS

- 8.1 The Directors shall be required (subject only to Regulation 24 of Table A and Article 8.2) to register promptly any transfer of shares made in accordance with the provisions of Articles 10, 11, 15 and 16 provided in all cases a Deed of Adherence duly executed by all relevant parties is laid before the meeting at which the transfer is to be approved, but shall not register any transfer of shares otherwise.
- 8.2 In addition to the circumstances set out in Regulation 24 of Table A, the Directors may refuse to register a transfer of a share to a bankrupt, a minor or a person of unsound mind.

PRE-EMPTION RIGHTS - DEFINITIONS

In this Article and in Articles 10 to 16 inclusive the following words shall bear the following meanings:

"Acceptance Period"	a period during which an offer made under Article 11.5 is open for acceptance;
"company"	Includes any body corporate;
"Employee Trust"	a trust approved by the holders of 50% of the "A" Ordinary Shares and 60 % of the Ordinary Shares for the time being in issue and whose beneficiaries are bona fide employees of the Company;
"Excluded Person"	(i) any Member (or other person entitled to shares in the manner set out in Article 12.1) whom the Directors are entitled under Article 12.1 or Article 14 to require to give a Transfer Notice (but only throughout such time as the Directors are entitled to require him to give a Transfer Notice); (ii) any Member or other person who has been required to give a Transfer Notice under either of Articles 12.1 or 14 (whether or not that requirement has been complied with);
"a Member of the same Group"	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;
"the Prescribed Price"	the price per Sale Share agreed or determined pursuant to Article 11.4;
"the Priority Rights"	the rights to purchase Equity Shares comprised in a Transfer Notice in the priority stipulated in Article 11.6 and on the basis set out in Article 11.7;
"Proposing Transferor"	a Member proposing to transfer or dispose of Equity Shares or any interest therein;

"Purchaser"	a Member willing to purchase Equity Shares comprised in a Transfer Notice;
"the Sale Shares"	all Equity Shares comprised in a Transfer Notice;
"Transferee Company"	a company for the time being holding shares in consequence of a transfer or series of transfers of shares between Members of the same Group (the relevant Transferor Company in the case of a series of transfers being the first transferor in that series);
"Transfer Notice"	a written notice served or deemed to be served by a Member on the Company, in accordance with Article 11;
"Transferor Company"	a company (other than a Transferee Company) which has transferred shares to a Member of the same Group;
"the Withdrawal Period"	the period referred to in Article 11.8 in which the Proposing Transferor may revoke his Transfer.

PERMITTED TRANSFERS

- 10.1 Subject to the provisions of Article 8, any Equity Shares may at any time be transferred by any Member pursuant to acceptance of any offer made to that Member under the requirements of Article 15 or as contemplated by Article 16.
- 10.2 Subject to the provisions of Article 8:
- 10.2.1 in the event of the death of any Member, all the Equity Shares of which such Member is the holder at the time of such event must be offered to the other Members in accordance with Article 11;
 - 10.2.2 if such shares as aforesaid shall not be sold pursuant to Article 11, then after the expiration of the period during which such shares might have been purchased by a Member or Members under it such person entitled to the shares in consequence of the death shall, upon such evidence being produced as may from time to time be required by the Directors, have the right to elect either to be registered himself as the holder of the shares in

question or to have some person nominated by him registered as the transferee, but in either case the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a transfer of shares in question by the former Member.

10.2.3 any Member, being a company, may transfer any Equity Shares to a Member of the same Group as such Member;

10.2.4 any Investor may transfer any Equity Shares to another party who is a venture capital trust, venture capitalist, investment trust, investment company or such like.

10.3 In the event that a Transferee Company holding Relevant Shares ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 10.2.2) the Relevant Shares were derived the Member holding the shares shall notify the Directors in writing that that event has occurred and such Member shall be bound, if and when required in writing by the Directors to do so, to give a Transfer Notice (unless the Relevant Shares are thereupon transferred to the Transferor Company or a member of the same Group as the Transferor Company in respect of the Relevant Shares (but without specifying a proposed Prescribed Price (so that the Prescribed Price shall be determined pursuant to Article 11.4) and so that the right of revocation conferred by Article 11.8 shall not apply).

For this purpose the expression "the Relevant Shares" means (so far as the same remain held by any Transferee Company) the shares originally transferred to the Transferee Company and any additional shares issued to such Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them or the membership thereby conferred.

PRE-EMPTION RIGHTS

11.1 The right to transfer Equity Shares or any interest therein shall (subject to and without prejudice to the provisions of Article 10) be subject to the following restrictions.

11.2 Before transferring or disposing of any Equity Shares (or any interest in Equity Shares) the Proposing Transferor shall serve a notice on the Company specifying the number and class of Equity Shares in question and the proposed price for such shares, and the Transfer Notice shall constitute

the Company his agent for the sale of those Equity Shares at the Prescribed Price to any Member or Members (other than to any holder of “B” Ordinary Shares). Except as provided in this Article, a Transfer Notice once given or deemed to be given shall not be revocable except with the consent of the Directors.

11.3 A Transfer Notice may comprise Equity Shares of more than one class and shall, if the Proposing Transferor has received any offer to purchase Equity Shares (whether or not an offer capable of becoming legally binding upon acceptance) within the period of three months prior to service of the Transfer Notice, give the name of the offeror, the number and class of Equity Shares concerned and the price offered in respect of each such Equity Share. A Transfer Notice may not be given by an Excluded Person unless required by the Directors under Article 10.3, Article 12.1 or Article 14.

11.4

11.4.1 If the Directors fail to agree the Prescribed Price with the Transferor within 14 days of receipt of the Transfer Notice by the Company, the Directors shall request the Auditors (acting as experts and not as arbitrators) to certify the Prescribed Price.

11.4.2 The Auditors shall within 14 days of such a request certify to the Company the Prescribed Price, being the price which, in their opinion, represents a fair value for such Sale Shares on a going concern basis as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles (and shall assume that the entire issued share capital of the Company is being sold) but shall take into account the rights and restrictions respectively attached to the classes of Equity Shares and any public or private information which the Auditors consider to be relevant to determining such valuation.

The Auditors' certificate as to the Prescribed Price shall be final and binding. The costs of the Auditors shall be borne by the Company.

- 11.5 Within 21 days following receipt of the Transfer Notice or (where relevant) the date on which the Transfer Notice is deemed to have been given or where the Prescribed Price is certified by the Auditors the date of certification of the Prescribed Price, the Company shall offer the Sale Shares to each Member (other than the Proposing Transferor and any Excluded Person and any holder of "B" Ordinary Shares) in accordance with the Priority Rights for purchase at the Prescribed Price. All offers shall be made by notice in writing and state a time (being between 30 and 42 days inclusive following the date of such notice) within which the offer must be accepted or, in default, will be deemed to have been declined. A copy of such offers shall at the same time be sent by the Company to the Proposing Transferor.
- 11.6 The Company shall offer the Sale Shares first, to the other holders of Equity Shares of the same class (other than the holders of "B" Ordinary Shares); and, to the extent not accepted, to the holders of Equity Shares of any other class (other than the holders of "B" Ordinary Shares). For the avoidance of doubt and notwithstanding any other provisions of these Articles to the contrary, the Company shall not offer any Sale Shares to the holders of "B" Ordinary Shares (in such capacity).
- 11.7 The Sale Shares shall be offered on the following basis:
- 11.7.1 if there is more than one holder of any class of shares ("the relevant class") to whom an offer is to be made pursuant to the Priority Rights, the Equity Shares on offer shall be offered to such holders in proportion as nearly as may be to their existing holdings of shares of that class (as to which the Directors' decision shall be conclusive);
 - 11.7.2 any Member to whom Sale Shares are offered may accept all or some only of the Sale Shares offered to him, and shall be invited to indicate whether, if he accepts all such Sale Shares, he wishes to purchase any Sale Shares which other Members decline to accept ("Excess Shares") and, if so, the maximum number which he wishes to purchase;
 - 11.7.3 any Excess Shares shall be allocated between the Members who have indicated that they wish to purchase Excess Shares pro rata (when calculated by reference to the proportion of the total number of Equity Shares of the relevant class held by the Members in question which is represented by the shares of that class held by each such Member) but so that no Member shall

be required or entitled to receive more than the maximum number indicated by him pursuant to Article 11.7.2;

11.7.4 subject to the provisions of this Article, the Purchasers shall be bound to purchase the Sale Shares properly allocated to them under the provisions of this Article 11.7 at the Prescribed Price in accordance with the provisions of Article 11.9.

11.8 Not later than 7 days following the expiration of the last Acceptance Period the Company shall give written notice to the Proposing Transferor stating:

11.8.1 if it is the case, that no Member has sought to purchase any of the Sale Shares; or, otherwise

11.8.2 the number of Sale Shares which Members have sought to purchase, giving the name and address of each Purchaser and the number of Sale Shares to be purchased by him.

If within the Acceptance Periods, Purchasers have been found for some only of the Sale Shares or if no Purchaser has been found for any of the Sale Shares, the Proposing Transferor may within 7 days of service on him of notice under this Article 11.8 revoke his Transfer Notice by written notice to the Company.

11.9 If the Proposing Transferor is given notice under Article 11.8.2 (and subject to his not revoking his Transfer Notice in accordance with Article 11.8, where possible) he shall be bound on payment of the Prescribed Price to transfer the Sale Shares in question to the respective Purchasers. The sales and purchases shall be completed at the registered office of the Company during normal business hours on the first business day after the expiry of 14 days following the date of service of notice by the Company under Article 11.8.2.

11.10 If a Proposing Transferor fails to transfer any Sale Shares to a Purchaser after becoming bound to do so, the Directors may authorise any person to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and shall register the Purchaser as the holder of the relevant Sale Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser and the Company shall thereafter hold the purchase money on trust for the Proposing Transferor. After the name of the Purchaser has been entered in the Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 11.11 If the Company fails before the end of the last Acceptance Period to find a Purchaser or Purchasers for any of the Sale Shares, the Proposing Transferor may (subject to Articles 8 and 11.13) sell all or any of the Sale Shares to any third party/parties.
- 11.12 If the Company fails before the end of the last Acceptance Period to find a Purchaser or Purchasers for some (but not all) of the Sale Shares and serves notice accordingly under Article 11.8 the Proposing Transferor may (subject to Articles 8 and 11.13) sell to any third party/parties all or any of the Sale Shares for which no Purchaser has been found unless he revokes his Transfer Notice under Article 11.8 (where Purchasers have been found for some but not all the Sale Shares) in which case he may sell all (but not some only) of the Sale Shares.
- 11.13 The right of the Proposing Transferor to sell Sale Shares pursuant to Article 11.11 or Article 11.12 shall be subject to the following restrictions:
- 11.13.1 Sale Shares may not be sold after the expiry of three months after the date on which notice is given under Article 11.8;
- 11.13.2 Sale Shares must be sold on a bona fide sale at a price not less than the Prescribed Price and without any deduction, rebate or allowance whatsoever to the purchaser;
- 11.13.3 the provisions of Article 14 (if applicable); and
- 11.13.4 no Equity Shares may be transferred, or disposed of, pursuant to this Article 11.13 by any person who is an Excluded Person unless the Directors resolve to approve such transfer or disposal.
- 11.14 The restrictions imposed by this Article 11 may be waived in relation to any proposed transfer of Equity Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with Article 11.6.
- 11.15 For the purposes of Article 11.13.2 and calculating whether or not a price to be paid for the Sale Shares is more or less than the Prescribed Price, then the cash value of any non-cash consideration shall be that agreed between the Proposing Transferor and the Company, or if the Proposing Transferor and the Company fail to agree such cash value within 15 business days following the earlier of any request by the Proposing Transferor to so value any non-cash consideration and the submission to the Company of the relevant stock transfer form(s) relating to a transfer of the sale shares for non-cash consideration, the cash value shall be the

amount certified as such as at the earlier of the request for valuation and the purported transfer of the Sale Shares, by an investment bank appointed at the joint request of the Proposing Transferor and the Company (or failing agreement as to a particular investment bank, an investment bank appointed by the Director General of the London Investment Banking Association at the request of the Proposing Transferor and/or the Company). The investment bank shall act as an expert not an arbitrator and its costs shall be borne by the Company.

COMPULSORY TRANSFER

- 12.1 A person entitled to a share in consequence of the bankruptcy, receivership or liquidation of a Member shall be bound at any time, if required in writing to do so by the Directors not later than 90 days after the Directors receive notice from the person concerned that he has become so entitled, to give a Transfer Notice in respect of all the shares then registered in the name of the Member in bankruptcy, receivership, or liquidation. Regulations 29 to 31 of Table A shall take effect accordingly.
- 12.2 If any person (an "Employee Member") ceases to be an employee or director of the Company (so that he is no longer an employee of or a director of the Company) he shall be deemed to have given a Transfer Notice in respect of all the shares registered in the name of the Employee Member (including any shares which are to be received by that person in satisfaction of the valid exercise of an option to acquire shares) as at the date on which the Employee Member ceases to be an employee or director as aforesaid ("Termination Date") and the Sale Price for such shares shall be the price agreed between the Board (with the approval of the Investor Director) and the Employee Member (or the Employee Member's personal representatives (as appropriate)) or in the event of failure to so agree, within 21 days of the Termination Date, the price certified by the Auditors in accordance with Article 11.4.
- 12.3 If a Transfer Notice is deemed to have been given pursuant to Article 12.2, the "A" Ordinary Shareholders holding between them more than 50% of the "A" Ordinary Shares for the time being in issue may within 14 days following the date on which the Transfer Notice is deemed to have been given, by notice in writing to the Directors specify that instead of being offered in accordance with the Priority Rights the shares in question should be purchased by the Company under the 2006 Act ("the Purchase of Own Shares Option"), whereupon any offer deemed made pursuant to Article 11.5 in respect of such shares shall be deemed never to have been made.

- 12.4 If the Purchase of Own Shares Option is specified, the Directors shall proceed to convene as soon as practicable an extraordinary general meeting or circulate a written resolution to approve the purchase of all (but not some only) of the shares in question on the terms specified in this Article and, if required, to approve a payment in respect of the purchase otherwise than out of distributable profits or the proceeds of a fresh issue of shares, and the Directors shall ensure that the other formalities required by the 2006 Act are expeditiously complied with. Provided that is lawfully able to do so, the Company shall be obliged to purchase the shares in question and the Employee Member shall be obliged to sell the shares in question to the Company at the Prescribed Price (and for the purposes of this Article 12.5 the provision of Article 11.4 shall apply mutatis mutandis for the calculation or determination of the Prescribed Price), on the basis that the sale will be made with full title guarantee and on the basis that the Prescribed Price will be paid in full in cash on completion of the sale and purchase.
- 12.5 If the Purchase of Own Shares Option is specified and the Employee Member fails to complete the sale of the shares in question to the Company, the Directors may authorise any person to execute on behalf of and as attorney for the Employee Member an appropriate contract and, in the absence of the relative share certificate, any indemnity in respect thereof requested by the Directors and may deliver it or them on his behalf. The Company shall send a cheque in respect of the Prescribed Price to the Employee Member at his registered address and after appropriate entries have been made in the register of members in purported exercise of this power, the validity of the proceedings shall not be questioned by any person. If the Company fails to complete the purchase within 42 days after the date on which it became obliged to complete the purchase, the shares in question shall be offered to each Member (other than the Employee Member and any Excluded Person and any other Member holding only "B" Ordinary Shares) in accordance with the provisions of Articles 11.5 to 11.14 (inclusive).

DEEMED TRANSFER NOTICE

In any case where the Directors may require a Transfer Notice to be given and it is not duly given within a period of two weeks of notice being given requiring the Transfer Notice to be given, a Transfer Notice in respect of the Equity Shares in question shall be deemed to have been given at the expiration of that period. Any Transfer Notice deemed to have been given or required to be given under any provision of these Articles shall not be capable of revocation under Article 11.8 and (notwithstanding any of the provisions of these Articles) shall extend not just to the shares registered in the

name of the Member concerned but to any other member holding shares which are Relevant Shares (within the meaning of Article 10.3) in respect of the Member concerned.

EVIDENCE OF COMPLIANCE

For the purpose of ensuring that a transfer of Equity Shares is duly authorised under these Articles or that no circumstances have arisen requiring a Transfer Notice to be given, the Directors require any Member or the personal representatives or trustee in bankruptcy, receiver or liquidator of any Member or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the Director reasonably think fit regarding any matter which they consider relevant. If such information is not provided to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Equity Shares concerned. If the information discloses (in the reasonable opinion of the Directors) that a Transfer Notice ought to have been given in respect of any Equity Shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the Equity Shares concerned.

CHANGES OF CONTROL

15.1 Notwithstanding the provisions of Article 11 no sale or transfer of the legal or beneficial interest in any Equity Shares ("the Relevant Transaction") (other than one made pursuant to Article 10) may be made or validly registered if as a result of such sale or transfer a Relevant Interest is obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the Proposing Transferor shall have procured a written offer complying with the provisions of Article 15.3 to have been made by the proposed transferee (the "Proposing Purchaser") (or any person or persons acting in concert with it) to the holders of all the other issued Equity Shares in the Company to acquire their entire holding of Equity Shares.

15.2 For the purpose of this Article 15:

15.2.1 the expression "a Relevant Interest" shall mean an interest in more than 50% of the Equity Shares in issue for the time being;

15.2.2 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of

allotment and the renouncee under any such letter of allotment;
and

15.2.3 the expression "acting in concert" shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time).

15.3 The offer referred to in Article 15.1 above shall be on terms that:

15.3.1 It will be open for acceptance in England and Wales for a period of at least 28 days following the making of the offer;

15.3.2 each Member to whom it is made shall be entitled to receive for the Equity Shares held by him a sum equal to that which he would be entitled to receive under Article 4.2.1 on the basis that:

(1) the completion of the transaction(s) envisaged by the Relevant Transaction and the offer referred to in Article 15.1 ("the Combined Transaction") are together deemed to be a "Sale" under these Articles; and

(2) the deemed (aggregate) proceeds of Sale for the Combined Transaction are the price per Equity Share paid or payable by the Proposing Purchaser (or any person Connected with him) for the Equity Shares comprised in the Relevant Transaction multiplied by the number of shares under the Combined Transaction;

(and accordingly the provisions of Article 4.2.1 shall apply mutatis mutandis for the purposes of calculating the amount of consideration each Member is respectively entitled to receive for the Equity Shares held by him);

[Worked Example: Under the Relevant Transaction it is proposed to sell 60% of the issued Equity Shares of the Company for £6million to a Proposing Purchaser who does not hold any Equity Shares. Accordingly, the Proposed Purchase must make the offer referred to in Article 15.1 to the holders of the remaining 40% of the issued Equity Shares of the Company on the basis that:-

(1) the total consideration payable by the Proposed Purchaser for all the Equity Shares is £10 million (£6 million for 60% plus £4 million for 40%); and

- (2) the distribution of the £10 million between the holders of the Equity Shares is to be in accordance with the provisions of Article 4.2.1.]

15.3.3 the purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction.

15.4 For the avoidance of doubt, the completion of any transaction envisaged by this Article 15 shall be deemed to be a "Sale" under these Articles.

COME ALONG

16.1 If one or more members of the Company holding between them not less than 75% of the Equity Shares for the time being in issue ("the Vendors") propose to sell the legal or beneficial interest in their entire holdings of Equity Shares to a person with whom none of them is Connected, and the Vendors procure that an offer is made by the proposed transferee (or any person or persons acting in concert with it) ("the Offerors") to the holders of all other issued Equity Shares in the Company to acquire their entire holdings of Equity Shares and that offer ("the Come Along Offer") complies with the requirements of Article 15.3 as if the Vendors' proposed sale was a Relevant Transaction and the Come Along Offer was the offer referred to in Article 15.1, subject to Article 16.4 the Vendors shall have the right ("the Come Along Right") to require all of the other holders of Equity Shares ("the Called Shareholders") to accept the Come Along Offer in full (provided that an Investor may only be required to sell and transfer pursuant to a Come Along Offer if that Investor's Loan is, upon completion of the sale and transfer, repaid in full together with any accrued or unpaid interest and premium thereon).

16.2 The Come Along Right may be exercised by the Vendors serving written notice to that effect ("the Come Along Notice") on the Called Shareholders at the same time as, or within 7 days following, the making of the Come Along Offer.

16.3 A Come Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings of Equity Shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptance of the Come Along Offer.

- 16.4 Notwithstanding the provisions of Article 16.3 any or all of the Called Shareholders (other than any Called Shareholder(s) who holds only "B" Ordinary Shares) shall have the right to serve upon the Vendors and the other Called Shareholders in writing within 7 days of the date of the Come Along Notice an offer to acquire all the Equity Shares of the Vendors and the other Called Shareholders on terms which match or are better than those received from the Offeror by the Vendors ("the Counter Offer"). For the purposes of ascertaining whether or not such terms match or are better than those received from the Offeror by the Vendors in relation to any non-cash consideration, the provisions of Article 11.15 shall apply mutatis mutandis. For the avoidance of doubt, the completion of the transaction(s) envisaged by either the Come Along Offer or the Counter Offer shall be deemed to be a "Sale" under these Articles.
- 16.5 Subject to Article 16.3 each of the Called Shareholders shall be bound to accept the Come Along Offer made to him in respect of his entire holding of Equity Shares and to transfer such shares in accordance with the provisions of the Come Along Offer unless a Counter Offer has been made.
- 16.6 If any Called Shareholder where a Counter Offer has not been made fails to accept the Come Along Offer or, having accepted such offer, fails to complete the sale of any of his shares pursuant to the Come Along Offer or otherwise fails to take any action required of him under the terms of the Come Along Offer, the Directors (or any of them) may authorise any person to accept the Come Along Offer on behalf of the Called Shareholder in question or undertake on his behalf any other action required under the terms of the Come Along Offer. In particular (but without limitation) the Directors shall have the same rights as given to them under Article 11.10.
- 16.7 Upon any person, following the making of a Come Along Offer (and where a Counter Offer has not been made), becoming a member of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Equity Shares in the Company ("a New Member"), a Come Along Offer shall be deemed to have been served upon the New Member forthwith on the same terms as the previous Come Along Offer and the new Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Come Along Offer being deemed to have been made to the New Member.

- 16.8 In the event that a Counter Offer is made the provisions of Articles 16.5 to 16.7 (inclusive) shall apply mutatis mutandis to the Vendors and the Called Shareholders who have not served a Counter Notice as if they were the Called Shareholders and the Come Along Offer shall be the Counter Offer. A Counter Offer once given shall be irrevocable.
- 16.9 Upon any person, following the giving of a Come Along Notice (and where a Come Along Notice has been given but no Counter Notice has been given), becoming a Member of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Equity Shares ("a New Member"), a Come Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Come Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Come Along Notice being deemed to have been given to the New Member.

PROCEEDINGS AT GENERAL MEETINGS

- 17.1 Save as herein otherwise provided three Equity Shareholders (other than the holder of any "B" Ordinary Shares) present in person or by proxy, (or, being a corporation, by representative) two of whom must be a proxy or duly authorised representatives of the Investors shall be a quorum. "B" Ordinary Shareholders shall not be entitled to receive notice of or to attend any general meetings of the Company nor shall they count towards a quorum for the purposes of this Article 17.
- 17.2 If a quorum is not present within half an hour from the time appointed for a general meeting or ceases to be present the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.
- 17.3 If at an adjourned meeting a quorum for the purposes of Article 17.1 is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for 13 days or more and due notice in such regard was given to the Members within 5 days of the adjournment whereupon the quorum at any such adjourned meeting shall be any three Members present in person or by proxy (or, being a corporation, by representative).

- 17.4 In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting at which the poll is demanded shall not be entitled to a second or casting vote.
- 17.5 Regulation 46 of Table A shall be amended by deleting the words "by at least two members having the right to vote at the meeting and replacing it with "one member having the right to vote thereat".

ALTERNATE DIRECTORS

- 18.1 At the end of Regulation 65 of Table A there shall be added the words:

"except for the Investor Director who may appoint any other Director or any other person without obtaining any approval by resolution from the other Directors and may remove from office an alternate Director so appointed by him."

- 18.2 At the end of Regulation 66 of Table A there shall be added the words:

"nor shall any meeting of the Directors be invalid because notice thereof or of any business to be transacted at that meeting was not given to any alternate director if his appointor attends such meeting."

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 19.1 The Directors shall not be required to retire by rotation.
- 19.2 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 19.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of directors.

PROCEEDINGS OF THE DIRECTORS

- 20.1 The number of Directors shall not be less than two nor more than six.
- 20.2 Subject to Article 20.5 the quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall be an Investor Director if at the time of the meeting an Investor Director has been appointed.
- 20.3 At any meeting of the Directors each Director (or his alternate Director) present at the meeting shall be entitled to one vote.

20.4 In the case of an equality of votes at any meeting of the Directors the chairman of such meeting shall not be entitled to a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

20.5 Save as otherwise specified in these Articles or the 2006 Act and subject to any limitations, conditions or terms attaching to any authorisation given by the Directors for the purposes of section 175(4)(b) of the 2006 Act, a director may vote on, and be counted in the quorum in relation to, any resolution relating to a matter in which he has, or can have:

20.5.1 a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company; and

20.5.2 a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company.

The provisions of Regulation 86 of Table A shall be taken to apply equally to any disclosure to be made under the provisions of this Article 20.

20.6 If a Conflict Situation arises, the Directors may authorise it for the purposes of section 175(4)(b) of the 2006 Act by a resolution of the Directors made in accordance with that section and these Articles. At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms as (in each case) they consider appropriate and reasonable in all circumstances. Any authorisation may be revoked or varied at any time at the discretion of the Directors.

20.7 It is recognised that an Investor Director:

20.7.1 may be an employee, consultant, director, member or other officer of the Investor or of an Investor Affiliate;

20.7.2 may be taken to have, through previous or existing dealings, a commercial relationship with the Investor or with an Investor Affiliate;

20.7.3 may be a director or other officer of, or be employed by, or otherwise involved in the business of other entities in which the Investor or an Investor Affiliate has or may have an interest from time to time; and

20.7.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such other directorship, membership, office, employment, relationship or his

involvement with the Investor, with an Investor Affiliate or with any entity referred to in Article 20.7.3

and he shall not be in breach of the duties he owes to the Company as a result of any Conflict Situation which arises from the relationships contemplated by this Article, including (without limitation) in relation to proposals for financing or otherwise promoting the business of (whether in competition with the Company or not) any such other entity.

20.8 In the circumstances contemplated by Article 20.6 and notwithstanding any other provision of these Articles, each director affected shall:

20.8.1 be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates;

20.8.2 not be excluded from those parts of meetings of the Directors or meetings of a committee of the Directors at which matters to which the Conflict Situation relates are discussed;

20.8.3 be entitled to vote (and form a part of the quorum) at any such meeting.

Any information which he obtains, other than in his capacity as a director or employee of the Company, which is confidential in relation to an entity referred to in Article 20.7 need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence.

20.9 Any Director, including an alternate Director may participate in a meeting of the Directors or a committee of the Directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Acts, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

20.10 Regulation 88 of Table A shall be amended by substituting for the sentence:

"It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" the following sentence:

"Notice of every meeting of the directors shall be given to each director and his alternate, including directors and alternate directors who may for the

time being be absent from the United Kingdom and have given the Company an address within the United Kingdom or an e-mail address or a facsimile number outside the United Kingdom for service".

THE INVESTOR DIRECTOR

- 21.1 Notwithstanding any other provisions of these Articles, so long as Foresight and/or Income and Growth are holders of any shares in the Company, they have the right collectively and/or individually should one party transfer its shares to appoint one person jointly as a Director of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place.
- 21.2 the Investor Director shall not be required to hold any shares.
- 21.3 Any appointment or removal of an Investor Director shall be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors.
- 21.4 For so long as the Investors are the holders of Equity Shares on any resolution to remove the Investor Director the shares held by the "A" Ordinary Shareholders who appointed such Investor Director shall together carry at least one vote in excess of 75% of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed and if any Investor Director is removed pursuant to Section 168 of the 2006 Act the "A" Ordinary Shareholders who appointed such Investor Director may reappoint him or any other person as their Investors' Director.

DIRECTORS' BORROWING POWERS

- 22.1 Subject as hereinafter provided the Directors may exercise all the powers of the Company (whether express or implied) of borrowing or securing the payment of money, of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and of mortgaging or charging the undertaking, property, assets and uncalled capital of the Company and (subject to Sections 549 and 551 of the 2006 Act) of issuing debentures.
- 22.2 Except with the prior sanction of the holders of three-fourths of the issued "A" Ordinary Shares no mortgage or charge shall be created on any part of the undertaking, property, assets or uncalled capital of the Company or any subsidiary of the Company except for the purpose of securing money

borrowed from bankers together with interest thereon and costs and expenses relating thereto.

THE SEAL

The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.

NOTICES

- 24.1 Without prejudice to the provisions of Regulation 112 of Table A, the Company may also give notice to a Member by e-mail to an e-mail address or by facsimile to a facsimile number supplied by the Member for such purposes.
- 24.2 Where a notice is sent by facsimile a transmission report showing that the facsimile was transmitted in full to the correct number shall be conclusive evidence that the notice was given and the notice shall be deemed to have been given at the time of transmission.

WINDING UP

In regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

INDEMNITY

- 26.1 Subject to the Acts and so far as may be permitted by law but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be entitled to be indemnified out of the assets of the Company against any and all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto, including (without limitation) any liability incurred by him in defending any proceedings, whether civil, regulatory or criminal ("Proceedings"), in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court, from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. Regulation 118 of Table A shall not apply.
- 26.2 In addition to Article 26.1 and in accordance with the Acts, the Company may pay the defence costs of every director of the Company in relation to Proceedings brought against him by third parties and deal with the outcome of such Proceedings in the following ways subject to such exclusions as the board of directors may from time to time determine:

- 26.2.1 If judgment is given in the director's favour, the director will not be required to repay the defence costs to the Company.
- 26.2.2 If judgment is given against the director in the Proceedings the payments made in advance by the Company will be considered a loan to the director and will be repayable by the director subject to the provisions of Articles 26.3 and 26.4.
- 26.3 In civil proceedings, the Company may, at its discretion, waive the loan in relation to defence costs. In addition, the Company may indemnify the director against any liabilities incurred.
- 26.4 In regulatory proceedings, the Company may at its discretion, waive the loan in relation to defence costs.
- 26.5 The provisions of Articles 26.1 and 26.2 will continue to apply even after the director ceases to be a director of the Company unless the director's employment is terminated in accordance with specified summary termination provisions in his service contract or letter of appointment.
- 26.6 Without prejudice to Article 26.1, the directors may effect and maintain insurance for, or for the benefit of, any persons who are or were at any time directors, officers or employees of any Relevant Company or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are or were at any time interested, including (without limitation) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution of their duties and/or in the actual or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company or any such pension fund or employees' share scheme.
- 26.7 "Relevant Company" means the Company, any holding company or parent undertaking (as defined in section 1159 and section 1162 of the 2006 Act) from time to time of the Company or in which the Company or any such holding company or parent undertaking or any of the predecessors of the Company or of any such holding company or parent undertaking has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the Company or any subsidiary or subsidiary undertaking (as defined in section 1159 and section 1162 of the 2006 Act) of the Company or of such other company or undertaking.