

Company number 04403959

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

Southern Solar Limited (Company)

TUESDAY



PNWG8H6J

PC2

02/02/2010

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COMPANIES HOUSE

27 January 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that resolution 1 below is passed as an ordinary resolution and resolutions 2 and 3 below are passed as special resolutions.

ORDINARY RESOLUTION

1. That, in accordance with section 551 of the Companies Act 2006 (the **2006 Act**), the board of directors of the Company (the **Directors**) be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal amount of £227.74 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date falling 5 years from the date of passing this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.

SPECIAL RESOLUTIONS

2. THAT, subject to the passing of the resolution 1 and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the 2006 Act did not apply to any such allotment.
3. THAT the draft regulations produced to the meeting and attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.


AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the above resolutions.

The undersigned, a person entitled to vote on the above resolutions on 27 January 2010, hereby irrevocably agrees to the resolutions:

Signed by

H. D. JOHNS
(Name of shareholder)


(signature of shareholder)

Date

01 FEB 10

NOTES

1. You can choose to agree to all of the resolutions or none of them but you cannot agree to only some of the resolutions. If you agree to all of the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **Post:** returning the signed copy by post to Howard Johns at 6 Allington Farm, Allington Lane, Offham, Lewes, East Sussex BN7 3QL.
- **Fax:** faxing the signed copy to 01273 479 700 marked "For the attention of Howard Johns".
- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to howard.johns@southernsolar.co.uk. Please enter "Written resolutions dated 27 January 2010" in the e-mail subject box.

If you do not agree to all of the resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the resolutions, you may not revoke your agreement.

3. Unless, by the date falling 28 days after the circulation date of these resolutions, sufficient agreement has been received for the resolutions to pass, they will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

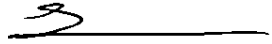
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

The undersigned, a person entitled to vote on the above resolutions on 27 January 2010, hereby irrevocably agrees to the resolutions:

Signed by

.....SIMON GRIFFITHS.....
(Name of shareholder)

..........
(signature of shareholder)

Date

.....01/02/2010.....

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The undersigned, a person entitled to vote on the above resolutions on 27 January 2010, hereby irrevocably agrees to the resolutions:

Signed by

MR L.R. HUTCHISON

(Name of shareholder)

L.R. Hutchison

(signature of shareholder)

Date

29/1/10

NOTES

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The Companies Act 2006
Private Company Limited by Shares
Articles of Association

of

Southern Solar Ltd
Company Number 04403959

Adopted by a special resolution of the Company on 29 January 2010

Dated 29 January 2010

10CSG/AH05/023850/000452/T5505085.4

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The Companies Act 2006
Private Company limited by Shares
Articles of Association
of
Southern Solar Ltd ("the Company")
(Adopted by written resolutions passed on 29 January 2010)

INTRODUCTION

1. Interpretation

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

"Act"	the Companies Act 2006;
"acting in concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended);
"Adoption Date"	the date of adoption of these Articles;
"Articles"	the Company's articles of association for the time being in force;
"Available Profits"	profits available for distribution within the meaning of part 23 of the Act;
"Bad Leaver"	a Departing Founder who becomes a Departing Founder during the 5 years following the Adoption Date in circumstances where he is not a Good Leaver;
"Business Day"	any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
"Call Notice"	has the meaning given to it in article 25.3;
"Call"	has the meaning given to it in article 25.3;
"Chairman"	has the meaning given to it in article 6.6;
"Companies Acts"	has the meaning given to it in the Act;
"Company"	means Southern Solar Ltd (company number 04403959);
"connected"	has the meaning given in section 252 of the Act;

"Controlling Interest"	an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 840 of the Income and Corporation Taxes Act 1988;
"Deemed Transfer Notice"	a Transfer Notice which is deemed to have been served by any of the provisions of these Articles;
"Departing Founder"	a Founder who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any other Group Company;
"Directors"	the directors of the Company from time to time;
"Disposal"	the disposal by the Company of all, or a substantial part of, its business and assets;
"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);
"Exit"	a Share Sale, a Disposal or a Listing;
"Fair Value"	has the meaning given in article 18.2;
"Family Trust"	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"	an accounting reference period (as defined in section 391 of the Act) of the Company;
"Founders"	Simon John Griffiths, Howard David Johns and Luke Murray Hutchison;
"Good Leaver"	a Founder who becomes a Departing Founder by reason of: <ul style="list-style-type: none"> (a) death; (b) permanent disability or permanent incapacity through ill-health; (c) redundancy; (d) dismissal by the Company (or other Group Company)

which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal, to be unfair or constructive; or

(e) any other circumstances which the Investor at its sole discretion agrees in writing should make the Departing Founder a Good Leaver;

"Group"	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"	the auditors for the time being of the Company or, if they decline the instruction, an independent firm of accountants appointed by the Company and the Seller or, in the absence of agreement between the Company and the Seller on the identity of the expert or its terms of appointment within 10 Business Days of the expiry of the 20 Business Day period referred to in article 18.3, an independent firm of accountants appointed, and whose terms of appointment are agreed, by the President, for the time being, of the Institute of Chartered Accountants of England and Wales (in each case acting as an expert and not as an arbitrator);
"Investment Agreement"	the investment agreement dated on or around the Adoption Date between, amongst others, the Company, the Investor and the Founders (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being);
"Investor Consent"	the prior consent in writing of the Investor;
"Investor Director"	has the meaning given in article 6.1;
"Investor"	Triodos Bank N.V. for so long as it, or its nominee or Permitted Transferees from time to time holds Shares;
"Issue Price"	in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium;
"Lien Enforcement Notice"	means a notice in writing which complies with the requirements of article 25.2.2;
"Listing"	<p>(a) the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc., or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended)));</p> <p>(b) the re-registration of the Company as a public limited company;</p>

	(c) any offer of securities within the meaning of section 85(1) of Financial Services and Markets Act 2000 to persons other than the Founders, the Investor or its Permitted Transferees;
"Member of the Same Group"	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;
"Model Articles"	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;
"Original Shareholder"	has the meaning given in article 16.1;
"Permitted Transfer"	a transfer of Shares made in accordance with article 16;
"Permitted Transferee"	in relation to: <ul style="list-style-type: none"> (a) a Shareholder who is an individual, any of his Privileged Relations or the trustee(s) of a Family Trust; and (b) the Investor to (i) a Member of the Same Group as the Investor, or (ii) any nominee of the Investor (or of a Member of the Same Group as the Investor); or (iii) any unit-holder, shareholder, partner or participant in, or beneficiary of the Investor's fund or the Triodos EIS Green Fund;
"Privileged Relation"	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 or grandchild (including step or adopted or illegitimate child and their issue);
"Relevant Securities"	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: <ul style="list-style-type: none"> (a) the grant of any options under a Share Option Scheme (and the issue of Shares on the exercise of any such options); (b) any Shares or other securities issued by the Company in order for the Company to comply with its obligations under these Articles and/or the Investment Agreement; and (c) any Shares or other securities issued in consideration of the acquisition by the Company of any company or business which has been approved by Investor Consent;
"Relevant Shares"	in relation to a Founder means all Shares held by: <ul style="list-style-type: none"> (a) the Founder in question; and (b) any Permitted Transferee of that Founder (other than those Shares held by those persons that the Investor declares itself satisfied were not acquired directly or indirectly from the Founder or by reason of his/her

relationship with the Founder),

and including any Shares acquired by any such person after the date the relevant Transfer Notice is deemed given but before completion of the transfer of Shares pursuant to the relevant Transfer Notice;

"Restricted Shares"	has the meaning given in article 19.5;
"Sale Shares"	the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice;
"Seller"	the transferor of shares pursuant to a Transfer Notice;
"Share Option Scheme"	any share option scheme of the Company which the Investor identifies in writing as being a Share Option Scheme for the purposes of these Articles;
"Share Sale"	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 to the sale;
"Shareholder"	a holder for the time being of any Share;
"Shares"	the ordinary shares of £0.01 each in the capital of the Company;
"subsidiary"	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;
"Termination Date"	<p>(a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;</p> <p>(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;</p> <p>(c) where a Founder dies, the date of his death;</p> <p>(d) where the Founder concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the Company is terminated; or</p> <p>(e) in any other case, the date on which the employment or holding of office is terminated;</p>
"Transfer Notice"	a notice in writing given by any Shareholder to the Company

where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any shares. Where such notice is deemed to have been served, it shall be referred to as a "**Deemed Transfer Notice**";

"Transfer Price" has the meaning given in article 17.2.3.

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), 22, 26(5), 38, 39 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

- 3.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not exceed six 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). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.
- 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 4.7 and article 4.8.
- 4.5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles.
- 4.6 Meetings of the Directors shall take place at least 10 times in each year. Any Director may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice. At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with the prior consent in writing of an Investor Director (if appointed) or the observer, when meetings of the Directors may take place less frequently or on shorter notice).
- 4.7 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include the Investor Director (if appointed) or the observer in office for the time being save that, if a resolution is not passed due to a failure of the Investor Director (or an observer) to be present at such meeting and such meeting is adjourned to a later time and date, the same resolution may be validly passed at the adjourned meeting whether or not the Investor Director (or the observer) is present. 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.
- 4.8 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.
- 4.9 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:
- 4.9.1 appoint further Directors; or
- 4.9.2 call a general meeting so as to enable the Shareholders to appoint further Directors.

4.10 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the Chairman (or other chairman of the meeting) shall have a second or casting vote.

4.11 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.

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 is convicted of a criminal offence (other than a minor motoring offence) and 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, a majority of the other Directors resolve that he cease to be a Director; and

5.2.3 in the case of an executive Director only, 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.

6. Investor Director, Chairman and Observer

6.1 The Investor shall from time to time have the right, for so long as the Investor holds Shares to appoint, by notice in writing addressed to the Company, and to maintain in office, one person as a Director (an "**Investor Director**") and to remove any such Investor Director and to appoint a replacement.

6.2 Any appointment or removal of an Investor Director made in accordance with article 6.1 shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice.

6.3 An Investor Director shall be entitled to be appointed to any committee of the Directors established from time to time. On the receipt of the request in writing of his appointor(s), the Company shall procure that an Investor Director shall be appointed as a director of any other Group Company, to the extent specified in such request (but such Investor Director shall not be entitled to any additional fee).

6.4 The Investor shall from time to time have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of Directors (and committees of the Directors) and copies of all board papers as if he were a Director and to attend, propose resolutions and speak at, but not vote at, any meeting of the Directors (and committees of the Directors).

6.5 The reasonable expenses of each Investor Director and each observer shall be payable by the Company.

6.6 The Directors may, with Investor Consent, appoint any person as chairman of the board of Directors ("**Chairman**") and may, with Investor Consent, remove and replace any such Chairman. If the Chairman has not been appointed within 2 calendar months of the Adoption Date, or within 2 months of the Chairman's resignation or removal, the Investor shall be entitled to appoint a Chairman by notice in writing addressed to the Company.

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 to the extent permitted by the Act, 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 or in such other manner as the Directors may determine;
 - 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 subject to Investor Consent, 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 An Investor Director or observer shall be entitled from time to time to disclose 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 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**
- 9.1 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. Dividends

- 10.1 In respect of any Financial Year, the Available Profits of the Company shall be used to pay dividends as set out in this article 10. No dividend shall be paid if, as a result of such payment, the net assets of the Company would be less than £200,000.
- 10.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the holders of the Shares pro rata to their respective holdings of Shares.
- 10.3 Subject to the Companies Acts, the Directors may pay interim dividends provided that:
 - 10.3.1 the Available Profits of the Company justify the payment; and
 - 10.3.2 the Company obtains Investor Consent to any such interim dividend.
- 10.4 Each dividend shall be distributed to the appropriate Shareholders pro rata according to the number of Shares held by them respectively and shall accrue daily (assuming a 365 day year) as well after as before the commencement of a winding up. All dividends are expressed net and shall be paid in cash.

11. Liquidation Preference

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion, redemption or purchase of shares), the assets of the Company remaining after the payment of its liabilities shall (to the extent that the Company is lawfully able to do so) be applied in paying the holders of Shares pro rata.

12. Exit Provisions

- 12.1 In the event of an Exit approved by the Directors (acting with Investor Consent) ("**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are required by the Directors to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this article 12.1:
 - 12.1.1 the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit;
 - 12.1.2 the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents; and
 - 12.1.3 the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest).

13. Variation of Class Rights

- 13.1 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.
- 13.2 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not constitute a variation of the rights of those existing classes of Shares.

14. Pre-emption Rights on the Issue of Further Shares

14.1 Subject to the remaining provisions of this article 14, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to:

14.1.1 offer or allot;

14.1.2 grant rights to subscribe for or to convert any security into; and

14.1.3 otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper.

14.2 The authority referred to in article 14.1:

14.2.1 shall be limited to a maximum nominal amount of £227.74 of Shares;

14.2.2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution; and

14.2.3 may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired).

14.3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.

14.4 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 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 held by those holders (as nearly as possible without involving fractions). The offer:

14.4.1 shall be in writing, and give details of the number and subscription price of the Relevant Securities; and

14.4.2 may stipulate that any 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.

14.5 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 14.4 shall be used for satisfying any requests for Excess Securities made pursuant to article 14.4. 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 held by the applicants immediately before the offer was made to Shareholders in accordance with article 14.4 (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him). After that allotment, any Excess Securities remaining shall be offered, subject to article 14.7, to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

- 14.6 If, after the allotments have been made pursuant to article 14.4 and article 14.5, all of the Relevant Securities have not been allotted, the Board shall offer the unallotted Relevant Securities to the holders of Shares pro rata, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) for the maximum number of Relevant Securities for which they wish to subscribe and that offer shall be made mutatis mutandis the provisions in article 14.4 and article 14.5). After that allotment, any Excess Securities remaining shall be offered, subject to article 14.7, to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders.
- 14.7 Subject to article 14.4, article 14.5 and article 14.6 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. Any such allotment must be approved in writing by the Investor.
- 14.8 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

15. Transfers of Shares: General

- 15.1 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.
- 15.2 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 15.5, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 15.3 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.
- 15.4 Any transfer of a Share by way of sale which is required to be made under article 19, article 21 or article 22 shall be deemed to include a warranty that the transferor sells the Share with full title guarantee.
- 15.5 The Directors may, as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between any of the Shareholders and the Company, in such form as the Directors (acting with Investor Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor). If any condition is imposed in accordance with this article 15.5, 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.
- 15.6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require:
- 15.6.1 any holder (or the legal representatives of a deceased holder); or
- 15.6.2 any person named as a transferee in a transfer lodged for registration; or
- 15.6.3 such other person as the Directors or an Investor Director may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose.

- 15.7 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:

15.7.1 it does not contain a Minimum Transfer Condition; and

15.7.2 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).

- 15.8 Any Transfer Notice (but not an Offer Notice (as defined in article 20.3) or a Drag Along Notice (as defined in article 21.2)) 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.

16. Permitted Transfers of Shares

- 16.1 A Shareholder ("**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee.

- 16.2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to:

16.2.1 the Original Shareholder;

16.2.2 any Privileged Relation(s) of the Original Shareholder;

16.2.3 subject to article 16.3, the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor; or

16.2.4 subject to article 16.3, to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

without any price or other restriction.

- 16.3 A transfer of Shares may only be made to the trustee(s) of a Family Trust if the Directors are satisfied:

16.3.1 with the terms of the trust instrument and, in particular, with the powers of the trustee(s);

16.3.2 with the identity of the proposed trustee(s);

16.3.3 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

16.3.4 that no costs incurred in connection with the setting up or administration of that Family Trust are to be paid by the Company.

- 16.4 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 10 Business Days of ceasing to be a Privileged Relation of the Original Shareholder (whether by reason of death, divorce or otherwise) either:

16.4.1 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

16.4.2 give a Transfer Notice to the Company in accordance with article 17,

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 16.4.

16.5 Notwithstanding any other provision of this article 16, a transfer of any Shares approved by the Directors (acting with Investor Consent) may be made without any price or other restriction and any such transfer shall be registered by the Directors.

17. Pre-emption Rights on the Transfer of Shares

17.1 Except where the provisions of article 16, article 21 or article 22 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17.

17.2 A Seller shall, before transferring or agreeing to transfer any Shares, give notice (a **Transfer Notice**) to the Company specifying:

17.2.1 the number of Sale Shares;

17.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;

17.2.3 the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors)) ("**Transfer Price**"); and

17.2.4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders ("**Minimum Transfer Condition**").

17.3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn except with the Investor Consent.

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

17.5 As soon as practicable following the later of:

17.5.1 receipt of a Transfer Notice; or

17.5.2 where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under article 18,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in article 17.6. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.

17.6 The Board shall offer the Sale Shares to all shareholders specified in the offer other than the Seller ("**Continuing Shareholders**"), inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) ("**First Offer Period**") for the maximum number of Sale Shares they wish to buy.

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 17.6 and article 17.7 shall be conditional on the fulfilment of the Minimum Transfer Condition.

If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

If only some of the Sale Shares are allocated in accordance with this article 17.6, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this article 17.6.

If, at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance ("**Initial Surplus Shares**") shall be dealt with in accordance with article 17.7.

- 17.7 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) ("**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion that his existing holding of Shares (including Sale Shares) bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications. The balance ("**Second Surplus Shares**") shall be offered to any other person in accordance with article 17.10.

- 17.8 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 17.6 and article 17.7, stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

If:

17.8.1 the Transfer Notice does not include a Minimum Transfer Condition; and

17.8.2 allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under article 17.6 and article 17.7, give written notice of allocation ("**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated ("**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 5 Business Days not more than 10 Business Days after the date of the Allocation Notice).

- 17.9 On the service of an Allocation Notice, the Seller shall, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

If the Seller fails to comply with this article 17.9:

- 17.9.1 the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller:
 - 17.9.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - 17.9.1.2 receive the Transfer Price and give a good discharge for it; and
 - 17.9.1.3 (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
- 17.9.2 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 for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, 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.
- 17.10 If an Allocation Notice does not relate to all the Sale Shares then, subject to article 17.11 and within 6 weeks following service of the Allocation Notice, the Seller may transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Second Surplus Shares in accordance with this article 17.10 shall continue to be subject to any Minimum Transfer Condition.
- 17.11 The Seller's right to transfer Shares under article 17.10 does not apply if the Board reasonably considers that:
 - 17.11.1 the transferee is a person (or a nominee for a person) who the Investor Director determines, in its absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company; or
 - 17.11.2 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
 - 17.11.3 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above.

The restrictions imposed by this article 17 may be waived in relation to any proposed transfer of Shares with Investor Consent and the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

18. Valuation

- 18.1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall either:
 - 18.1.1 appoint an Independent Expert to determine the fair value of the Sale Shares; or
 - 18.1.2 if the fair value has been determined by an Independent Expert within the preceding 12 weeks, specify that the fair value of the Sale Shares shall be

calculated by dividing that fair value by the number of Sale Shares to which it related and multiplying such fair value by the number of Sale Shares the subject of the Transfer Notice.

- 18.2 The fair value of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases:
- 18.2.1 the sale is between a willing buyer and a willing seller;
 - 18.2.2 the sale is on an arm's length basis;
 - 18.2.3 the Share Shares are freely tradable;
 - 18.2.4 no account shall be taken of the fact (if relevant) that the Sale Shares in question constitute a minority or a majority holding in the Company.
- 18.3 The Independent Expert shall be requested to determine the fair value within 20 Business Days of their appointment and notify the Board of their determination.
- 18.4 Subject to any confidentiality provisions, the Independent Expert may have access to all accounting records or other relevant documents of the Company.
- 18.5 The Independent Expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error).

19. Compulsory Transfers

- 19.1 Save where the provisions of article 19.3 apply, a person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Share at such time as the Directors determine.
- 19.2 If a company that is a Shareholder resolves to appoint a liquidator, administrator or administrative receiver over it (or a material part of its business), that Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine.
- 19.3 If a Founder becomes a Departing Founder in circumstances where he is a Bad Leaver, that Departing Founder shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by that Departing Founder on the Termination Date. In such circumstances the Transfer Price shall be calculated as set out below:

Termination Date	Transfer Price
Within 1 year of the Adoption Date	100% of Shares at Nominal value
Within 2 years of the Adoption Date	100% of Shares at 50% of Fair Value
Within 3 years of the Adoption Date	50% of Shares at 50% of Fair Value, 50% of Shares at 100% Fair Value
Within 4 years of the Adoption Date	33% of Shares at 75% of Fair Value, 67% of Shares at 100% Fair Value
Within 5 years of the Adoption Date	25% of Shares at 75% of Fair Value, 75% of Shares at 100% Fair Value

- 19.4 The Departing Founder's Shares shall be offered in the following order of priority:
- 19.4.1 to any of the other existing holders of Shares;

- 19.4.2 to any other person (or persons) who has Investor Consent and who are approved by the Board; and then
- 19.4.3 subject to the Act, to the Company.
- 19.5 All voting rights attached to the Departing Founder's Shares, if any, shall be suspended on the Termination Date ("**Restricted Shares**"). However, the holders of Restricted Shares shall have the right to receive a notice of, and to attend, all general meetings of the Company, but shall have no right to vote either in person or by proxy.
- 19.6 Voting rights suspended by article 19.5 shall be automatically restored before a Listing.
- 19.7 All voting rights attached to the Restricted Shares transferred under this article 19 shall be automatically restored on completion of the transfer.
- 19.8 For the avoidance of doubt, if a Founder becomes a Departing Founder in circumstances where he is a Good Leaver, that Departing Founder shall not be regarded as giving a Deemed Transfer Notice in respect of any of the Shares held by that Departing Founder.
- 20. Mandatory Offer on a Change of Control**
- 20.1 Except in the case of transfers pursuant to article 19, and Permitted Transfers, after going through the pre-emption procedure set out in article 14, the provisions of article 20.2 shall apply if, in one or a series of related transactions, one or more Sellers propose to transfer any of the Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person acting in concert with the Buyer, acquiring a Controlling Interest in the Company.
- 20.2 Before making a Proposed Transfer, a Seller shall procure that the Buyer makes an offer ("**Offer**") to the other Shareholders to buy all of the Company's Shares for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person acting in concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 6 months preceding the date of the Proposed Transfer ("**Specified Price**").
- 20.3 The Offer shall be given by written notice ("**Offer Notice**"), at least 10 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 20.3.1 the identity of the Buyer;
- 20.3.2 the purchase price and other terms and conditions of payment;
- 20.3.3 the Sale Date; and
- 20.3.4 the number of Shares proposed to be purchased by the Buyer ("**Offer Shares**").
- 20.4 If the Buyer fails to make the Offer to all holders of Shares in the Company, the Seller shall not be entitled to complete the sale and the Company shall not register any transfer intended to effect that sale.
- 20.5 If the Offer is accepted by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 20.6 The Proposed Transfer is subject to the pre-emption provisions of article 14, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

- 20.7 If the Accepting Shareholder is the Investor, and no completion of the Proposed Transfer takes place within 20 Business Days of the Investor accepting the Offer, the Company shall, at the Investor's option and subject to the Act, purchase all the Shares held by the Investor at not less than the Specified Price.
- 21. Drag Along**
- 21.1 If after 3 years from the Adoption Date the holders of 70% of the Shares in issue for the time being ("**Selling Shareholders**") wish to transfer all of their interest in Shares ("**Sellers' Shares**") to a bona fide arm's length purchaser ("**Proposed Buyer**"), the Selling Shareholders may require all the other holders of Shares ("**Called Shareholders**") to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article ("**Drag Along Option**").
- 21.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect ("**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:
- 21.2.1 the Called Shareholders are required to transfer all their Shares ("**Called Shares**") pursuant to this article 21.1;
 - 21.2.2 the person to whom the Called Shares are to be transferred;
 - 21.2.3 the consideration payable for the Called Shares calculated in accordance with article 21.4; and
 - 21.2.4 the proposed date of the transfer.
- 21.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 10 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 21.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 21.
- 21.5 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:
- 21.5.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or
 - 21.5.2 that date is less than 10 Business Days after the Drag Along Notice, in which case completion of the sale shall be delayed until the 10 Business Days after delivery of the Drag Along Notice.
- 21.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 21.7 Within 10 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the expiration of that 10 Business Day period, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due pursuant to article 21.4 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders

pursuant to article 21.4 in trust for the Called Shareholders without any obligation to pay interest.

- 21.8 To the extent that the Proposed Buyer has not, on the expiration of the 10 Business Day period referred to in article 21.7, put the Company in funds to pay the consideration due pursuant to article 21.4, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 21 in respect of their Shares.
- 21.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 21.
- 21.10 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 21 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

22. Tag Along

- 22.1 No transfer (other than a Permitted Transfer) of any Shares held by a Shareholder holding Shares may be made or validly registered if it is in respect of more than 30% of the Shares ("**Selling Ordinary Shareholder**"), unless the Selling Ordinary Shareholder has observed the procedures set out in this article 22.
- 22.2 The Selling Ordinary Shareholder shall give each other holder of Shares (a "**Tagged Shareholder**") at least 10 Business Days' notice in advance of the proposed sale (a "**Tag Along Notice**"). The Tag Along Notice shall specify:
- 22.2.1 the identity of the Buyer;
 - 22.2.2 the price per share that the Buyer proposes to pay;
 - 22.2.3 the manner in which the consideration is to be paid; and
 - 22.2.4 the number of Shares that the Selling Ordinary Shareholder proposes to sell.

Each Tagged Shareholder shall, within 10 Business Days following receipt of the Tag Along Notice, notify the Selling Ordinary Shareholder that it wants to sell a certain number of Shares held by it at the proposed sale price. Such notification shall be made by delivering a written counter-notice to the Selling Ordinary Shareholder which shall specify the number of Shares that the Tagged Shareholder wants to sell.

- 22.3 Any Tagged Shareholder that does not send a counter-notice within that 10 Business Day period shall be deemed to have specified that they do not want to sell any Shares.

- 22.4 After the expiry of 15 Business Days from the date that the Tagged Shareholders receive the Tag Along Notice, the Selling Ordinary Shareholder shall be entitled to sell to the Buyer (on the terms notified to the Tagged Shareholders) a number of shares not exceeding the number specified in the Tag Along Notice, less any Shares that the Tagged Shareholders have indicated that they want to sell. Provided that, at the same time, the Buyer (or another person) buys from the Tagged Shareholders the number of Shares that they have respectively indicated they want to sell on terms no less favourable than those obtained by the Selling Ordinary Shareholder from the Buyer.
- 22.5 No sale by the Selling Ordinary Shareholder shall be made pursuant to any Tag Along Notice more than 3 months after service of that Tag Along Notice.
- 22.6 Sales made in accordance with this Article shall not be subject to article 14.

DECISION-MAKING BY SHAREHOLDERS

23. General Meetings

- 23.1 No business other than, subject to article 24.2, the appointment of the chairman 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.
- 23.2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman 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 chairman of the meeting must be the first business of the meeting.

24. Voting

- 24.1 Subject to any other provisions in these Articles concerning voting rights, 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.
- 24.2 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.
- 24.3 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.
- 24.4 Model article 45(1) shall be amended by:
- 24.4.1 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
 - 24.4.2 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.

25. Lien, Calls on Shares and Forfeiture

- 25.1 The Company has a lien ("**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.

25.2 Enforcement of the Company's Lien

25.2.1 Subject to the provisions of this article 25.2, if:

25.2.1.1 a Lien Enforcement Notice has been given in respect of a Share; and

25.2.1.2 the person to whom the notice was given has failed to comply with it,
the Company may sell that Share in such manner as the Directors decide.

25.2.2 A Lien Enforcement Notice:

25.2.2.1 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;

25.2.2.2 must specify the Share concerned;

25.2.2.3 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);

25.2.2.4 must be addressed either to the holder of the Share or to a transferee of that holder; and

25.2.2.5 must state the Company's intention to sell the Share if the notice is not complied with.

25.2.3 Where Shares are sold under this article 25.2:

25.2.3.1 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

25.2.3.2 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.

25.2.4 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:

25.2.4.1 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

25.2.4.2 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.

25.2.5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:

25.2.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

25.2.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

25.3 Call notices

25.3.1 Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice ("**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money ("**Call**") which is payable to the Company at the date when the Directors decide to send the Call Notice.

25.3.2 A Call Notice:

25.3.2.1 may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;

25.3.2.2 must state when and how any Call to which it relates is to be paid; and

25.3.2.3 may permit or require the Call to be made in instalments.

25.3.3 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.

25.3.4 Before the Company has received any Call due under a Call Notice the Directors may:

25.3.4.1 revoke it wholly or in part; or

25.3.4.2 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.

25.3.5 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:

25.3.5.1 on allotment;

25.3.5.2 on the occurrence of a particular event; or

25.3.5.3 on a date fixed by or in accordance with the terms of issue.

25.4 Forfeiture

25.4.1 If a person is liable to pay a Call and fails to do so by the Call payment date:

25.4.1.1 the Directors may issue a notice of intended forfeiture to that person; and

- 25.4.1.2 until the Call is paid, that person must pay the company interest on the Call from the Call payment date at the relevant rate.
- 25.4.2 A notice of intended forfeiture:
 - 25.4.2.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
 - 25.4.2.2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
 - 25.4.2.3 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);
 - 25.4.2.4 must state how the payment is to be made; and
 - 25.4.2.5 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.
- 25.4.3 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

26. Notices

- 26.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - 26.1.1 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);
 - 26.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - 26.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - 26.1.4 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.

For the purposes of this article 26.1, no account shall be taken of any part of a day that is not a working day.

- 26.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

27. Indemnity and Insurance

27.1 Subject to article 27.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

27.1.1 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 in the actual or purported execution and/or discharge of his duties, or in relation thereto 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

27.1.2 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 article 27.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

27.2 This article 27 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.

27.3 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.

27.4 In this article 27:

27.4.1 **"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

27.4.2 **"Relevant Officer"** means any director or other officer or former director or other officer of any Group Company, 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.

28. Data Protection

28.1 Each of the Shareholders and Directors (from time to time) consents to the processing of his personal data by the Company, its Shareholders and Directors (each a **"Recipient"**) for the purposes of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually.

28.2 The personal data that may be processed for such purposes under this article 28 shall include any information which may have a bearing on the prudence or commercial merits of investing in, or disposing of any Shares (or other investment or security) in, the Company. Save as required by law, court order or any regulatory authority, that personal data shall not be disclosed by a Recipient or any other person, except to:

28.2.1 a Member of the Same Group as the Recipient (each a **"Recipient Group Company"**);

28.2.2 employees, directors and professional advisers of that Recipient or any Recipient Group Company; and

28.2.3 funds managed by any of the Recipient Group Companies.

- 28.3 Each of the Shareholders and Directors consent (from time to time) to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient, both within and outside the European Economic Area, for the purposes stated above, where it is necessary or desirable to do so.