

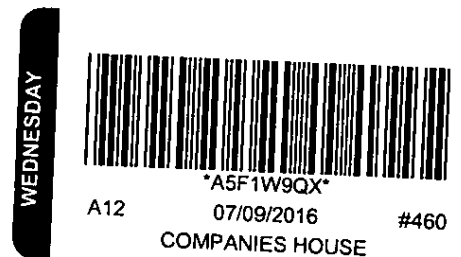
Company number: 5114005

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

Enigma Diagnostics Limited



(adopted by a written resolution of the Company passed on
3 July 2009 and amended by written resolutions of the
Company passed on 22 February 2013,
23 September 2014, 21 August 2015 and 22 July 2016)

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
ENIGMA DIAGNOSTICS LIMITED
("Company")

1. PRELIMINARY

The regulations contained in table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall apply to the Company save insofar as they are excluded or varied by or are otherwise inconsistent with these articles Regulations 8, 30, 50, 62, 64, 65, 73 to 81 (inclusive), 87 and 89 of Table A shall not apply to the Company and in addition to the remaining regulations of Table A (as varied hereby) the following articles constitute the regulations for the management of the Company

2. DEFINITIONS AND INTERPRETATION

- 2.1 In these articles the following words and expressions shall (except where the context otherwise requires) have the following meanings

"**Act**" means the Companies Act 1985 (as amended by the Companies Act 1989) and every other statutory modification thereof from time to time,

"**Auditors**" means the auditors for the time being of the Company,

"**Board**" means the board of directors for the time being of the Company,

"**Control**" has the meaning ascribed thereto by section 840 of the Income and Corporation Taxes Act 1988 and "**controlled**" shall be construed accordingly,

"**Controlling Interest**" means Shares (or the right to exercise the votes attaching to Shares) which confer in the aggregate more than 30 per cent of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings,

"**Deferred Shareholder**" means the holder of Deferred Shares from time to time,

"**Deferred Shares**" means the deferred shares of £0.01 each in the capital of the Company having attached thereto the rights set out in these Articles,

"**Directors**" means the directors for the time being of the Company,

"DSTL" means the Secretary of State for Defence acting through the Defence Science and Technology Laboratory or, in the event that DSTL has transferred its entire shareholding in the Company to Ploughshare, references to DSTL shall be construed as references to Ploughshare (save in relation to articles 6 6 and 9 1 4),

"Employee Option Scheme" means the Enigma Diagnostics Unapproved Company Share Option Plan,

"Group Undertaking" means in relation to any company a subsidiary or holding company of that company or any subsidiary of such holding company,

"Listing" means the admission of all or any of the Shares of the Company to the Official List of the UK Listing Authority or the admission of the same to trading on the AIM market of the London Stock Exchange Plc or the admission of the same to, or the grant of permission by any like authority for the same to be traded on, any other equivalent or similar share market (including without limitation, NASDAQ),

"Member" means any registered holder for the time being of any class of share in the Company,

"MoD" means the UK Ministry of Defence,

"Non-Executive Director" means any director appointed from time to time on a non-executive basis under the provisions of article 16,

"OGD" means any government department other than the MoD,

"Ordinary Shares" means the ordinary shares of £0 01 each in the capital of the Company in issue from time to time having attached thereto the rights set out in these Articles of Association,

"PCI" means Porton Capital, Inc of Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman,

"PCT" means Porton Capital Technology Funds of Ugland House, South Church Street, PO Box 309, George Town, Grand Cayman,

"PC Funds" means either or both of PCI and PCT.

"Ploughshare" means Ploughshare Innovations Ltd,

"Shareholder" means a holder of Shares from time to time,

"Shareholders Agreement" means the shareholders agreement to be entered into on the date of adoption of these articles between (1) PCT (2) DSTL and (3) the Company,

"Shares" means shares in the capital of the Company,

"Subsidiaries" means the subsidiaries of the Company from time to time,

"Takeover" means the acquisition by a transferee (other than an existing Shareholder) of a Controlling Interest

- 2 2 Words incorporating the masculine gender only include the feminine and neuter genders and words incorporating the singular number only include the plural and vice versa
- 2 3 Clause headings and margin notes are for ease of reference only and do not affect the construction or interpretation of these articles
- 2 4 References to persons shall include bodies corporate, unincorporated associations and partnerships
- 2 5 References to writing shall include typewriting, printing, lithography, photography and facsimile messages and other modes of reproducing words in a legible and non-transitory form
- 2 6 Words and expressions defined in or for the purposes of the Act or Table A shall have the same meanings in these articles unless the context otherwise requires

3. SHARE CAPITAL

The Ordinary Shares shall, save as expressly otherwise provided in these Articles of Association, rank between themselves *par passu* in all respects

4. SHARE RIGHTS

The rights attaching to the respective classes of shares shall be as follows

4 1 As regards capital

For the purpose of this article 4 1

"Disposal" means the sale or other disposal whether by one transaction or a series of related transactions of the whole or a substantial part of the undertaking of the Company or any other Group Undertaking (other than to a Group Undertaking which is the Company or a wholly-owned subsidiary of the Company) in circumstances where the proceeds of such sale or disposal are subsequently distributed to shareholders (in whole or part),

"Exit" means a Takeover, a Listing or a Disposal whichever shall first occur,

"Proceeds" means

- (a) in the case of a Listing, the market capitalisation of the Company in connection with the Listing (being the number of Shares in issue and which are to be listed multiplied by the listing price) as derived from the relevant admission document or prospectus (but excluding any Shares issued by the Company at the time of the Listing to raise new money (for whatever purpose)),
- (b) in the case of a Takeover, the aggregate consideration expressed as a cash once (whether that consideration is to be satisfied in cash, shares, loan stock, or a combination thereof or otherwise, any non-cash consideration being valued by the Company's auditors) paid pursuant to an agreement or an offer, and
- (c) in the case of a Disposal, an amount equal to the total amount available for payment to holders of Shares as a result of the Disposal by way of dividend, dividend on liquidation or consideration payable in respect of Shares purchased by the Company

- 4 2 Subject to article 4 5, the Members shall do or procure the doing of all necessary acts to ensure that, in the event of an Exit, the Proceeds shall be applied in accordance with the provisions of article 4 3
- 4 3 On an Exit the Proceeds or assets shall be applied or shall belong to and shall be distributed amongst the holders of the Ordinary Shares *par passu* on the basis that they constitute one class of share
- 4 4 The Members shall do or procure the doing of all necessary acts to ensure that on a return of assets on liquidation, or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied in such amounts and in such order of priority as would be applicable on an Exit
- 4 5 In the event that any Shareholder does not participate in a Takeover in respect of the Shares held by him, then that Shareholder shall not, in respect of any Shares not sold pursuant to such Takeover, be entitled to any distribution pursuant to article 4 3 and accordingly article 4 3 shall not apply to such Shareholder in respect of those Shares
- 4 6 On a Listing, prior to such Listing becoming effective, any reorganisation of the share capital of the Company shall be on terms that the proportion of issued share capital of the Company represented by each existing class of shares shall be that proportion of the Proceeds, in respect of the Listing, to which such existing class of shares would have been entitled had such Proceeds been available for distribution pursuant to article 4 3
- 4 7 As regards voting the holders of the Ordinary Shares shall be entitled to receive notice of, attend and vote at any general meeting of the Company and on a show of hands shall have one vote each and on a poll shall have one vote for each Ordinary Share of which they are the holder
- 4 8 As regards dividends in the event that a dividend or other distribution is declared in respect of any financial year such sum shall be apportioned among the holders of the Ordinary Shares *pro rata* to their holdings on the basis that they constitute one class of shares

5. DEFERRED SHARES

- 5 1 The holders of Deferred Shares shall, by virtue of or in respect of their holdings of Deferred Shares, not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting The Deferred Shares shall not entitle their holders to receive any dividend or other distribution On a return of capital on a winding up, each holder of a Deferred Share shall be entitled to receive a sum equal to the nominal capital paid up or credited as paid up thereon but only after the sum of £1,000,000 per Share has been distributed and the Deferred Shareholders shall not be entitled to any further participation in the assets or profits of the Company Notwithstanding any other provisions of these articles, and unless specifically required by the provisions of the Companies Acts 2006, the Company shall not be required to issue any certificates in respect of the deferred shares
- 5 2 Neither the passing by the Company of any special resolution or the cancellation of the Deferred Shares for no consideration by means of a reduction of capital requiring the confirmation of the Court nor the obtaining by the Company, nor the making by the Court of any order confirming any such reduction of capital nor the becoming effective of any such court order shall constitute a variation, modification or abrogation of the rights attaching to the Deferred Shares and accordingly the Deferred Shares may at any time be cancelled for no

consideration by means of a reduction of capital effected in accordance with the Companies Act 2006 without sanction on the part of the holders of the Deferred Shares

5 3 The Company shall have the power any time to purchase all or any Deferred Shares for an aggregate consideration of £1 for all of the Deferred Shares

5 4 Any director of the Company may, as agent or attorney for such member, execute the necessary transfer(s) or buy-back agreement or such other documentation as is required on that member's behalf in respect of the purchase of any of the Deferred Shares by the Company and deliver such transfer(s) or buy-back agreement or other documentation as is required to the Company The Board will authorise registration of the transfer(s) and of the Company as registered holder of the Shares so transferred After such registration, the title of the Company as registered holder of such Shares will not be affected by any irregularity in, or invalidity of such proceedings, which will not be questioned by any person

6. UNISSUED SHARE CAPITAL

For so long as DSTL or Ploughshare holds more than 1% of the entire issued share capital of the Company, if the Company or any other Shareholder proposes to issue, allot or transfer Shares to a third party such party shall notify DSTL in writing (stating the identity of the proposed transferee or allottee) ("**DSTL Notice**") and if the proposed transferor or the Company receives written notice duly signed by the Chief Executive of DSTL within 14 days of the date the DSTL Notice was sent to DSTL, (DSTL, having received a notice from an appropriate authority or MoD or OGD) stating that such allotment or transfer is not acceptable to MoD or OGD on the grounds of public, national or government interests as determined by MoD or OGD from time to time ("**National Interest**") then the Company or the proposed transferor (as the case may be) shall not allot or transfer the Shares to the proposed allottee or transferee

7. LIEN

The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share and the Company shall also have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person whether solely or as one of two or more joint holders for all monies presently payable by him or his estate to the Company but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this article The Company's lien on a Share shall extend to any dividend or other amount payable in respect thereof

8. CALLS

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

9. TRANSFER OF SHARES - GENERAL

9 1 General provisions about transfer of Shares

9 1 1 Subject to the provisions of these articles, a Member may transfer all or any of his Shares to another person

- 9 1 2 The transferor shall remain the holder of any Share transferred until the name of the transferee is entered in the register in respect of it
- 9 1 3 No fee shall be charged by the Company for the registration of any transfer or any other change relating to or affecting the title to any Share or the right to transfer it or for making any other entry in the register
- 9 1 4 Notwithstanding anything to the contrary in these articles, for so long as DSTL or Ploughshare holds more than 1% of the entire issued share capital of the Company if a member proposes to sell or transfer any of their holding of Shares in the Company to a third party it shall immediately deliver a written notice to DSTL stating the number of Shares in the Company to be offered for sale (the "**Specified Shares**") and the minimum or intended price per Share to be offered. Once a buyer for the Specified Shares has been identified and in any event two weeks prior to the sale or transfer of any Shares in the Company by such member, the relevant member, shall notify DSTL of the identity of the buyer and the price such buyer is prepared to pay for the Specified Shares. If the relevant member receives written notice within 14 days of the date on which they notified DSTL of the identity of the buyer duly signed by the Chief Executive of DSTL (DSTL having received notice from an appropriate authority or MoD or OGD) stating that such transfer is not acceptable to MoD or OGD on the grounds of public, national or government Interest as determined by MoD or OGD from time to time then the relevant member shall not transfer the Specified Shares to the proposed buyer
- 9 2 The Directors shall not refuse to register any transfer of a Share which is permitted under these articles but may, in their absolute discretion and without assigning any reason therefor decline to register any transfer of any Share which would otherwise be permitted hereunder if it is a transfer
- 9 2 1 of a Share on which the Company has a lien,
- 9 2 2 of a Share (not being a fully paid Share) to a person of whom they shall not approve and shall in any event refuse to register the transfer of a Share which is prohibited by any agreement between the Company, DSTL and PCT. The first sentence of regulation 24 shall not apply
- 9 3 If a Member or any Non-Executive Director appointed by a Member becomes aware of any event which is deemed to give rise to an obligation to serve a transfer notice he shall forthwith give written notice thereof to the Directors

10. TRANSFER OF A CONTROLLING INTEREST

- 10 1 For the purposes of this article
- 10 1 1 the expression "**Buyer**" means a person and any Associate of such person (in each case whether or not an existing Member of the Company),
- 10 1 2 the expression "**acquire**" means to be or become the legal or beneficial owner of Shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not,

- 10 1 3 the expression "**Associate**" means
- 10 1 3 1 the husband, wife, mother, father, grandmother, grandfather, brother, sister, child (including adopted child) or other lineal descendant of the relevant person,
 - 10 1 3 2 the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or his spouse or children is or is capable of being a beneficiary,
 - 10 1 3 3 any nominee or bare trustee for the relevant person or for any other Associate of the relevant person,
 - 10 1 3 4 if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company,
 - 10 1 3 5 any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988, and
 - 10 1 3 6 any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Takeovers and Mergers as for the relevant time being current),
 - 10 1 3 7 in the case of PCT any member of the Porton Group (as defined in the Shareholder Agreement)
- 10 1 4 subject to article 10 10, the expression "**Prescribed Price**" shall mean a price per Share at least equal to the highest price offered by the proposed transferee or transferees for any Share of any class (after deducting the amount of any arrears or accruals of dividend or any sum payable pursuant to article 4 3 in respect of such shares)
- 10 2 Notwithstanding anything to the contrary contained in these articles save with the written approval of all Shareholders no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Shares (or any interest) if, as a result, a Buyer would acquire a Controlling Interest in the Company unless and until the Buyer has first made an offer (in accordance with article 10 3) to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them for cash payable in full on completion of any sale (or with a cash alternative payable in full on completion of any sale) at the Prescribed Price per Share their entire holdings of Shares in the capital of the Company
- 10 3 Any such offer as is referred to in article 10 2 (an "**Offer**") must be made in writing, must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days, must not contain any requirement for DSTL and PCT to give any representation, warranties or undertakings other than as to their capacity and capability to sell the relevant Shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Buyer so wishes, that

acceptances must be received for a specified percentage of all the Shares in respect of which the Offer is made

- 10 4 If within 60 days of the making of an Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made a further Offer
- 10 5 If a Buyer receives (within the period of 60 days referred to in article 10 4) acceptances of an Offer which will result in the Buyer owning not less than 51 per cent of all the issued A Preferred Shares, Preferred Shares, Ordinary Shares and D Shares of the Company (as though they constituted one class of shares) then the Buyer may extend the Offer to the extent that, if within 30 days of the expiry of such period of 60 days, the Buyer gives written notice to those Members who have not accepted the Offer requiring them so to do, then each of such non-accepting Members shall upon the giving of such notice
- 10 5 1 be deemed to have accepted the same in respect of all Shares held by him in accordance with the terms of the Offer, and
- 10 5 2 become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same
- 10 6 If any such non-accepting Member as is referred to in article 10 5 shall not, within 14 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, then the Directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Member) of the purchase moneys payable for the relevant Shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person
- 10 7 In calculating the Prescribed Price for the purposes of article 10 1 4 there shall be brought into account any other consideration (in cash or otherwise) received or receivable by any Member or former Member (or any Associate of such Member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the shares in question
- 10 8 For the purpose of ensuring
- 10 8 1 that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this article (and to that end for the purpose of determining whether one person is an Associate of another), or
- 10 8 2 that a price offered or proposed to be offered for any Shares is the Prescribed Price,
- the Directors may from time to time require any Member to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant for such purposes
- 10 9 For the avoidance of doubt the provisions of this article 10 shall not apply in the event that PCT and its Associates acquire any Controlling Interest by virtue of subscribing for any Share

pursuant to or as contemplated by the Shareholder Agreement nor on any transfer between members of the Porton Group or between DSTL and Ploughshare.

- 10 10 The provisions of this article 10 shall be without prejudice to the provisions of article 4 3 or 1 which shall determine the allocation of Proceeds in respect of any offer made under this article 10

11. TRANSFERS BY SHAREHOLDERS ON CEASING TO BE AN EMPLOYEE AND TRANSFERS ON DEATH OR BANKRUPTCY

- 11 1 If an employee or consultant of the Company or any of its subsidiary undertakings or of any Member or subsidiary undertaking or division of any Member ("**the relevant individual**") ceases for any reason (including death or bankruptcy) to be an employee or consultant of the Company or any of its subsidiary undertakings or of any Member or subsidiary undertaking or division of any Member and is not continuing as either an employee or consultant of the Company or any of its subsidiary undertakings or of any Member or subsidiary undertaking or division of any Member and

11 1 1 the relevant individual is a holder of Shares ("**Sale Shares**"), and/or

11 1 2 the relevant individual has established a family trust which holds Sale Shares, and/or

11 1 3 any Member holds Sale Shares as the nominee of the relevant individual, and/or

11 1 4 Sale Shares are held by a privileged relation or other permitted transferee of the relevant individual, and/or

11 1 5 Sale Shares are held by a company the majority of the issued share capital of which is beneficially owned by the relevant individual or a privileged relation, family trust or other permitted transferee if the relevant individual,

then the Board may within four months after the date on which the relevant individual ceases to be an employee or consultant (the "**Cessation Date**") determine in its absolute discretion that there shall be deemed to have been served a notice in writing to the Company ("**Sale Notice**") by any of the holders of Sale Shares referred to in this article (or their personal representatives in the case of their death) (the "**Compulsory Vendors**") in respect of all their Sale Shares (however acquired) Such Sale Shares shall be offered first to the Company and then to the Members holding the same class of Shares as the Sale Shares (other than the Compulsory Vendors) in the same proportions as the nominal amount of each Members' existing holding of Sale Shares In such event the Board may also determine in its absolute discretion to revoke any Sale Notice given or deemed to have been given by the Compulsory Vendors prior to the Cessation Date ("**Previous Notice**") provided that at the time of such determination no sale and purchase of shares subject to such Sale Notice has completed Upon such determination the Previous Notice shall be automatically revoked forthwith and the shares subject to it shall be included in the Sale Notice deemed to have been served pursuant to the foregoing provisions of this article 11 1

- 11 2 Sale Notice shall be deemed to have been given under this article 11 on the date of notification by the Board to the Compulsory Vendors of its determination that a Sale Notice is deemed to have been given (the "**Deemed Notice Date**")

- 11 3 The price for the Sale Shares shall be as follows

- 11 3 1 (subject to article 11 3 3) if the Cessation Date is less than three years after the issue of the Sale Shares, or, later, if the relevant individual is a "Bad Leaver", the price shall be the Market Value of the Sale Shares as at the Cessation Date or the issue price (including any premium) of the Sale Shares (whichever the Board in its sole discretion shall decide is the lower),
- 11 3 2 subject to article 11 3 3 if the Cessation Date is at least three years after the issue of the Sale Shares and the relevant individual is a "Good Leaver", the price shall be the Market Value of the Sale Shares,
- 11 3 3 if the relevant individual resigns or is dismissed or removed as an employee, or consultant at any time following a reasonable determination by the Board (if the relevant individual is an employee or consultant of the Company) or by the relevant Member being the employer of the employee or the contractor of the consultant (if the relevant individual is an employee or consultant of a Member) that he has been guilty of dishonesty or has committed a deliberate and material breach of his relevant service or consultancy agreement the price shall be 1p for each Sale Share
- 11 4 For the purposes of article 11 3
- 11 4 1 the "**Market Value**" shall be the price agreed between the Compulsory Vendors and the Board or, if they fail to agree a price within 21 days of the Deemed Notice Date the price certified by the Auditors acting as experts and not as arbitrators, to be the market value of the Safe Shares upon the Cessation Date, (calculated on the basis of a sale by a willing seller to a willing buyer disregarding, if such be the case, any discount that might attach to the Sale Shares if they constitute a minority interest, and any transfer restrictions which apply to the Sale Shares pursuant to these articles) The costs of the Auditors shall be borne as determined by the Auditors,
- 11 4 2 a "**Good Leaver**" is a relevant individual who ceases to be an employee and/or consultant because of death, retirement or permanent incapacity entitling the Company or any Member to dismiss him or who is otherwise categorised as a Good Leaver by the Board in its absolute discretion within four months of the Cessation Date,
- 11 4 3 a "**Bad Leaver**" is a relevant individual who ceases to be an employee and/or consultant and who is not a Good Leaver
- 11 5 Without prejudice to articles 11 1 and 1 if the Board so resolves it may at any time give notice to the legal personal representatives of a deceased Member ("**PRs**") or the trustee in bankruptcy of a Member ("**Trustee in Bankruptcy**") requiring such person to elect either to be registered himself or to give a Sale Notice in respect of the Shares to which he/they become entitled in consequence of the death or bankruptcy of any Member If such notice is not complied with within 14 days from the date of such notice the Board may authorise some person to execute and deliver a transfer of the Shares concerned to some person appointed by the Board as a nominee for the PRs or Trustee in Bankruptcy and the Company may give a good receipt for the purchase price of such Shares, register the purchaser or purchasers as the holders of them and issue to them certificates for the same whereupon the purchaser or purchasers shall become indefeasibly entitled to such Shares In any such case the PRs or Trustee in Bankruptcy shall be bound to deliver up the certificates for the Shares concerned to the Company whereupon they shall become entitled to receive the purchase price which shall

in the meantime be held by the Company on trust for such person or persons but without interest

- 11 6 For the avoidance of doubt where an individual is employed and/or is engaged as a consultant by a company which is a subsidiary undertaking of the Company, this article shall apply upon that Company ceasing to be a Group Undertaking and the individual not continuing to be an employee or consultant or any Group Undertaking

12. ALTERATION OF SHARE CAPITAL

Regulation 32 of Table A shall be read and construed as if the word "ordinary" in the first line were replaced by the word "special"

13. NOTICE OF GENERAL MEETINGS

The Company shall give notice of all general meetings of the Company to each Member whether or not that Member has given to the Company an address within the United Kingdom at which notices may be given to him and regulation 112 of Table A shall be modified accordingly

14. PROCEEDINGS AT GENERAL MEETINGS

- 14 1 No Business shall be transacted at any meeting unless a quorum is present Subject to article 14 2 for so long as any shareholder holds at least 5% of the votes exercisable at a general meeting the quorum requirement shall be satisfied when a person representing all and any such shareholders are present at any relevant general meeting Otherwise two persons entitled to vote on the business to be transacted, each being a member or a proxy for a member, shall be a quorum
- 14 2 If at any duly convened general meeting of the Company a quorum is not present within 30 minutes of the time stated in the notice for the start of the meeting then the Chairman shall adjourn the meeting to a time not less than 7 days from the date of the original meeting At such adjourned meeting, if a quorum is not otherwise present within 15 minutes of the stated time of the meeting then any two members present (in person or by proxy) shall constitute a quorum provided that the only business to be conducted at such meeting shall be as set out in the notice convening the original meeting
- 14 3 A poll may be demanded by any Member present in person or by proxy or (in the case of a corporate Member) by a duly authorised representative and regulation 46 of Table A shall be modified accordingly
- 14 4 In the case of an equality of votes whether on a show of hands or on a poll the Chairman shall not have a casting vote
- 14 5 A Director (including an alternate Director) shall not require any shareholding qualification but shall nevertheless be entitled to receive notice of and attend and speak at any general meeting of the Company

15. VOTES OF MEMBERS

- 15 1 Regulation 54 of Table A shall be read and construed as if the words "or by proxy" were inserted after the words "present in person" in the second line and the words "whether or" were inserted after the words "authorised representative" in the third line

- 15 2 An instrument appointing a proxy and any authority under which it is executed or a duly certified copy of such authority shall be delivered to the meeting at which the proxy is authorised to vote or at the time and place appointed for the taking of the poll on which the proxy is authorised to vote (as the case may be)

16. APPOINTMENT AND NUMBER OF DIRECTORS

- 16 1 Unless and until otherwise determined by resolution the number of Directors (other than alternate Directors) shall not be less than two but shall not be subject to any maximum
- 16 2 DSTL may for so long as they hold Shares carrying rights to exercise at least 20% of the votes then exercisable at a general meeting of the Company from time to time appoint up to two persons to be DSTL Non-Executive Directors and for so long as they hold Shares carrying rights to exercise at least 10% but less than 20% of the votes then exercisable at a general meeting of the Company appoint one non-executive director in each case by notice given in accordance with the provisions of article 16 5 and may in like manner remove any Non-Executive Director appointed by DSTL and by like notice from time to time appoint any other person to be Director in the place of a Director so removed, provided always that no more than two DSTL Non-Executive Directors shall hold office at any one time
- 16 3 PCT may for so long as they hold Shares carrying rights to exercise at least 20% of the votes then exercisable at a general meeting of the Company from time to time appoint up to two persons to be Non-Executive Directors and for so long as they hold Shares carrying rights to exercise at least 10% but less than 20% of the votes then exercisable at a general meeting of the Company appoint one non-executive director in each case by notice given in accordance with the provisions of article 16 5 and may in like manner remove any Non-Executive Director appointed by PCT and by like notice from time to time appoint any other person to be Director in the place of a Director so removed, provided always that no more than two PCT Non-Executive Directors shall hold office at any one time
- 16 3A For so long as any shareholder (other than DSTL or PCT) holds Shares carrying the right to exercise at least 8% of the votes then exercisable at a general meeting of the Company from time to time that shareholder may appoint one person to be a Non-Executive Director by notice given in accordance with the provisions of article 16 5 and may in like manner remove any such Non-Executive Director and by like notice from time to time appoint any other person to be a Non-Executive Director in the place of a Director so removed, provided that, in the case of and prior to any such appointment, the shareholder shall consult with the chairman of the Company and take into account any reasonable requests made by him as to whether such appointment is appropriate and should be made
- 16 4 All Directors shall be entitled to all reasonable expenses wholly, exclusively and necessarily incurred by them in or about the performance of their duties as directors of the Company, subject to the production of receipts or proof of payment thereof save that PCT shall not be entitled to reimbursement of any expenses relating to foreign travel save where agreed in advance by the board
- 16 5 The appointment or removal of Non-Executive Directors shall be effected by notice in writing signed by the Member or Members making the same or in the case of a corporate Member signed by a Director of that Member and such notice shall take effect when it is received at the registered office of the Company or on such later date (if any) as may be specified therein
- 16 6 Every Non-Executive Director appointed pursuant to this article 16 shall be entitled from time to time to make such disclosure to his appointor about the business and affairs of the Company and its subsidiaries as he shall in his absolute discretion determine

17. ALTERNATE DIRECTORS

Any Director (other than an alternate Director) may by writing under his hand appoint any other person willing so to act to be an alternate Director and may remove from office an alternate Director so appointed by him

18. RETIREMENT BY ROTATION

The Directors shall not be required to retire by rotation

19. DISQUALIFICATION AND REMOVAL OF DIRECTORS

The office of Director shall be vacated if any Director

- 19 1 has an order made in respect of him under section 252 of the Insolvency Act 1986 or has a petition presented in respect of him under section 264 of that act or if he makes any arrangements or composition with his creditors generally,
- 19 2 becomes prohibited from being a Director by reason of any order made under section 16 of the Company Directors Disqualification Act 1986 or under any other statute,
- 19 3 in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder of discharging his duties as a Director,
- 19 4 resigns his office by written notice to the Company,
- 19 5 shall for more than six months have been absent without the permission of the Directors from the meetings of the Directors held during that period and the Directors resolve that his office shall be vacated, or
- 19 6 is removed from office by his appointor pursuant to these articles, or
- 19 7 who has been appointed pursuant to article 16 3A is removed from office by notice to such effect signed by or on behalf of not less than three quarters of the other Directors

20. VOTING POWER IN SUBSIDIARIES

The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit including the exercise thereof in favour of any resolution appointing them or any of their number as directors or officers of such other company or providing for the payment of remuneration to the directors or officers of such other company and a Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be or be about to become a Director or officer of such other company and as such or in any other manner is or may be interested in the exercise of such voting rights as aforesaid

21. PENSIONS

The Board may establish and maintain or procure the establishment and maintenance of any non-contributory or contributory pension, provident or superannuation funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances or emoluments to any persons who are or were at any time in the employment or service of the Company or of any Subsidiary or any body corporate which is an associate (within the meaning of section 52 of the Companies Act 1989) of the Company or of any Subsidiary or who are or were at any

time Directors or officers of the Company or of any such other company as aforesaid and holding any salaried employment or office in the Company or such other company and the spouses, widows, widowers, families and dependants of any such persons and also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and wellbeing of the Company or of any other such company as aforesaid or of any such person as aforesaid and make payments for or towards the insurance of any such persons as aforesaid and subscribe or guarantee money for any charitable or benevolent objects or for any exhibition or for any public, general or useful object and do any of the matters aforesaid either alone or in conjunction with any such other company as aforesaid Subject always (if the Act shall so require) to particulars with respect to the proposed payment being disclosed to the Members and to the proposal being approved by the Company any Director holding any such employment or office shall be entitled to participate in and retain for his own benefit any such donation, gratuity, pension, allowance or emolument

22. PROCEEDINGS OF DIRECTORS

- 22 1 Subject to article 22 2, the quorum necessary for the transaction of business of the Directors shall be one representative of each member having the right at the time of the relevant board meeting to appoint a director pursuant to any of articles 16 3, 16 3A, 16 4 and 16 5 A person who holds office as an alternate shall in the absence of his appointor be counted as part of the quorum whether or not he is also a Director and therefore counted as part of the quorum in his own capacity as a Director and regulation 89 of Table A shall be modified accordingly
- 22 2 If at any duly convened board meeting of the Company a quorum is not present within 30 minutes of the time stated in the notice for the start of the meeting then the Chairman shall adjourn the meeting to a time not less than 7 days from the date of the confirmation At such adjourned meeting, if a quorum is not otherwise present within 15 minutes of the stated time of the meeting then any two directors present (in person or by alternate) shall constitute a quorum provided that the only business to be conducted at such meeting shall be as set out in the notice convening the original meeting
- 22 3 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party Provided that the amount for the time being remaining undischarged or monies borrowed or secured by the Directors as aforesaid (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not at any time, without the previous sanction of the Company in general meeting, exceed the nominal amount of the share capital of the Company for the time being issued, but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded
- 22 4 A Director may vote as a Director on any resolution concerning any contract or arrangement in which he is interested (excluding any appointment to office or employment or consultancy with the Company or any body corporate in which the Director is interested or upon any matter arising thereout) and if he shall so vote his vote shall be counted and he shall be counted in reckoning a quorum when any such contract or arrangement is under consideration and regulations 94 and 97 of Table A shall be modified accordingly

22 5 Any Director enabled to participate in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) to hear at all times all other Directors present at such meeting (whether in person or by alternate or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum

22 6 In the case of an equality of votes the chairman shall have no second or casting vote and regulation 88 of Table A shall be modified accordingly

23. CAPITALISATION

Regulation 110 of Table A shall be read and construed as if the words "special resolution" were substituted for the words "ordinary resolution" in the first line thereof and on any occasion when Shares are allotted and distributed as fully paid pursuant to the provisions of regulation 110 the Shares allotted to Members holding Ordinary Shares shall be Ordinary Shares

24. SEALS AND EXECUTION OF DOCUMENTS

24 1 The Directors may provide a common seal for the Company and shall have power from time to time to destroy the same and to substitute a new seal in its place The Directors shall provide for the safe custody of every seal of the Company

24 2 Documents may only be executed as a deed on behalf of the Company if such execution is authorised by a resolution of the Directors or of a committee of the Directors which authority may be of a general nature and need not apply only to specific documents or transactions Every document so authorised to be executed as a deed on behalf of the Company shall be signed by one Director and the Secretary or by two Directors (whether or not the Directors have also resolved that the common seal shall also be affixed to such document)

25. INDEMNITY

Subject to the provisions of the Act and in addition to such indemnity as is contained in regulation 118 of Table A every Director, or officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred by him in or about the execution and discharge of the duties of his office