

Company Number 5386273

PRIVATE COMPANY LIMITED BY SH

**WRITTEN RESOLUTIONS**

of

**OXFORD NANOLABS LIMITED ("Company")**

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On 27<sup>th</sup> March 2008 the following special resolutions were duly passed in accordance with Chapter 2 of Part 13 of the Companies Act 2006 -

**SPECIAL RESOLUTIONS**

1. THAT the authorised share capital of the Company be and it is hereby increased to £10,890 by the creation of 214,000 Ordinary Shares of 1p each ranking pari passu in all respects with the existing Ordinary Shares of 1p each in the capital of the Company.
2. THAT:
  - (A) the Directors shall have unconditional authority to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities (within the meaning of Section 80 of the Companies Act 1985 (the "Act")) of the Company on and subject to such terms as the directors may determine. The authority hereby conferred shall, subject to Section 80 of the Act, be for a period expiring on the fifth anniversary of the date on which this resolution was passed unless renewed, varied or revoked by the Company in General Meeting and the maximum amount of relevant securities which may be allotted pursuant to such authority shall be £2,920.54 being the authorised but as yet unissued capital of the Company at the date hereof.
  - (B) the Directors shall be entitled under the authority conferred by paragraph (A) of this Resolution or under any renewal thereof to make at any time prior to the expiry of such authority any offer or agreement which would or might require relevant securities of the Company to be allotted after the expiry of such authority.
3. THAT the Directors shall be empowered for a period expiring on the fifth anniversary of the date on which this resolution is passed to allot equity securities (within the meaning of Section 94(2) of the Act) of the Company pursuant to the authority conferred by Resolution 2 as if Section 89(1) of the Act did not apply to such allotment and the Directors shall be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require equity securities to be allotted after the expiry of such power Provided that such power shall, subject as aforesaid, cease to have effect when the said authority is revoked or would if not renewed expire but if that authority is renewed the said power may also be renewed for a period not longer than that for which the authority is renewed by a Special Resolution of the Company passed in General Meeting.

4. THAT in accordance with Article 6 4 of the Company's Articles of Association the provisions of Article 6 4 shall be disapplied in respect of the issue of up to 173,280 Ordinary Shares of 1p each in the capital of the Company on or before 30<sup>th</sup> April 2008 at a price of not less than £57.71 per share to such person or persons as the Directors may determine.
5. THAT the Articles of Association of the Company shall be amended as follows:-
  - (A) by deleting the existing Article 3 and substituting in its place the following new Article 3:

"The share capital of the Company is £10,890 divided into 1,089,000 Ordinary Shares ", and
  - (B) By deleting from the fourth line of Article 6.4 the words "20% of the then issued share capital of the Company" and inserting in their place "such number of shares as shall equal the aggregate of 69,478 and such number of shares as represents 5% of the then issued share capital of the Company".

 for ANDNYCH SECRETARIES LIMITED  
SECRETARY

**Company No 5386273**

**THE COMPANIES ACTS 1985 and 1989**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**-of-**

**OXFORD NANOLABS LIMITED**

**(Adopted on 16th May 2006 and amended by a  
Special Resolution passed on 27<sup>th</sup> March 2008)**

**THE COMPANIES ACTS 1985 and 1989**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

- of -

**OXFORD NANOLABS LIMITED**

(As adopted by a written resolution passed on 16th May 2006 and amended by a Special Resolution passed on 27<sup>th</sup> March 2008)

**PRELIMINARY**

1 1 In these Articles the following expressions shall have the following meanings unless inconsistent with the context -

"Acquirer" has the meaning ascribed to it in the definition of "Majority Change of Control" or "Special Change of Control";

"the Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force,

"Bad Leaver" means a Leaver who has become a Leaver as a result of

- (a) the Company's (or its subsidiary's) acceptance of the Leaver's repudiation of his contract of employment or consultancy agreement,
- (b) the Leaver terminating his contract of employment or consultancy agreement with the Company (or its subsidiary) for whatever reason; or
- (c) the lawful termination by the Company (or its subsidiary) of the Leaver's contract of employment or consultancy agreement in circumstances where the Company (or its subsidiary) would be entitled to terminate the contract of employment summarily without notice or terminate the consultancy agreement for breach by the Leaver,

other than as a result of the Leaver's death, retirement at normal retirement age or on the grounds of illness or other incapacity;

"Compulsory Purchase Notice" means a notice served by the directors pursuant to Article 11.11 or Article 11.16 requiring that the Shares specified therein be sold to the Company at the Transfer Price,

"Compulsory Transfer Notice" means a notice served by the directors pursuant to Article 11.11 or Article 11.16 requiring that the shares specified therein be sold to the person or persons nominated by the directors and specified therein at the Transfer Price;

"Family Trust" as regards any particular individual member or deceased or former individual member, means a trust (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 that individual and/or Privileged Relations of that individual, 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 or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trust or in consequence of an exercise of a power or discretion conferred thereby on any person or persons,

"Founder means Professor John Hagan Pryce Bayley;

"Good Leaver" a Leaver other than a Bad Leaver;

"IP Group" means the group of companies consisting of IP Group Plc (registered number 4204490) and its subsidiaries from time to time;

"Leaver" means any individual (other than the Founder) whose contract of employment with the Company or with any subsidiary of the Company terminates, for any reason, or any individual (other than the Founder) whose consultancy agreement with the Company or any subsidiary of the Company terminates, for any reason,

"Majority Change of Control" means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with Article 10 (Permitted Transfers) by any person, including a member of the Company (an "Acquirer"), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 50 per cent of the Shares,

"a Member of the same Group" as regards any company, means a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;

"Option Scheme" means a share option scheme established by the Company which is an "employees' share scheme" within the meaning of Section 743 of the Act;

"Ordinary Shares" means the Ordinary Shares of 1 pence each in the capital of the Company from time to time; and

"Permitted Transfer" means a transfer of Shares authorised by Article 10;

"Privileged Relation" in relation to an individual member or deceased or former individual member, means the husband or wife or the widower or widow of such member and all the lineal descendants and ascendants in direct line of such member and the brothers and sisters of such member and their lineal descendants and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant,

"Relevant Executive" means an employee of, or a consultant to, the Company or any subsidiary of the Company,

"Relevant Member" means a member who is a Relevant Executive, or a member who shall have acquired Shares directly or indirectly from a Relevant

Executive pursuant to one or more Permitted Transfers under Article 10.1.1 or 10.1.2 (including where such Shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Relevant Executive under Article 10.1.2),

"Relevant Shares" (so far as the same remain for the time being held by the trustees of any Family Trust or by any Transferee Company) means the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred;

"Share" means a share in the capital of the Company for the time being in issue;

"Shareholder" means a holder of Shares,

"Special Change of Control" means the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with Article 10 (Permitted Transfers) ) by any person, including a member of the Company (an "Acquirer"), of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 75 per cent of the Shares; and

"Table A" means Table A in the Companies (Tables A-F) Regulations 1985 as amended by the Companies (Tables A-F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000,

"Transferee Company" means a company for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers of Shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being the first transferor in such series);

"Transferor Company" means a company (other than a Transferee Company) which has transferred or proposes to transfer Shares to a Member of the same Group;

"transfer notice" means a notice in accordance with Article 11 that a member desires to transfer his Shares; and

"University" means the Chancellor, Masters and Scholars of the University of Oxford

- 1.2 References to statutory provisions in these Articles shall be deemed also to refer to any statutory provisions amending or replacing the same.
- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded, varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company

## **SHARE CAPITAL**

- 3 The share capital of the Company is £10,890 divided into 1,089,000 Ordinary

Shares.

### **LIEN**

- 4 The lien conferred by regulation 8 of Table A shall apply to all Shares whether fully paid or not and to all Shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders

### **CALLS**

- 5 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 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

### **ISSUE OF SHARES**

- 6.1 Subject to the provisions of the Act and Article 6.4, all unissued shares of the Company from time to time shall be at the disposal of the directors and they may allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper as if section 89(1) and 90(1) to (6) (inclusive) of the Act did not apply to the Company.
- 6 2 The directors are generally and unconditionally authorised for the purposes of Section 80 of the Act to allot relevant securities (as defined in Section 80 of the Act) provided that the aggregate nominal value of such securities allotted pursuant to this authority shall not exceed the amount of the authorised share capital at the date of adoption of these Articles of Association, and that this authority shall expire on the fifth anniversary of the date of adoption of these Articles of Association unless varied or revoked or renewed by the Company in General Meeting.
- 6 3 The directors shall be entitled under the authority conferred by this Article to make at any time before the expiry of such authority any offer or agreement which will or may require relevant securities to be allotted after the expiry of such authority.
- 6.4 Other than where an issue has been authorised by special resolution of the Company, any unissued shares or other equity securities or shares to be issued (excepting equity securities to be issued (i) pursuant to an Option Scheme up to a maximum of such number of shares as shall equal the aggregate of 69,478 and such number of shares as represents 5% of the then issued share capital of the Company; or (ii) as consideration for the purchase of the shares or assets of another company) ("New Shares") shall not be allotted to any person unless the Company has, in the first instance offered such New Shares to all members of the Company on the same terms and at the same price as such New Shares are being offered to such other person on a pari passu and pro rata basis to the number of Shares held by such persons on the terms that in the case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any member beyond that applied for by him) to their existing holdings of Shares Such offer(s).
- (a) shall stipulate a time not exceeding 21 days within which it must be accepted or in default will lapse, and
- (b) may stipulate that any members who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall

in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other members shall be used for satisfying such requests for excess New Shares at each stage pro rata to the number of existing shares held by such members at the time of such acceptance making such requests and thereafter, any excess New Shares shall be offered to any other person at the same price and on the same terms as the offer to members

Any New Shares shall rank *pari passu* with existing shares in the same class then in issue.

6.5 An offer of Shares made to the University pursuant to Article 6.4 shall, as the University directs, entitle either:

- (a) the University;
- (b) any limited partnership or similar investment vehicle in which the University and/or any colleges of the University are the majority participants ("the Funds") or a nominee appointed by the Funds where the Funds retain the entire beneficial interest in such Shares, or
- (c) with the written consent of members holding 75% of the Shares, any limited partnership or similar investment vehicle in which the University and/or any colleges of the University are participants

to subscribe for such Shares

#### **TRANSFER OF SHARES**

7.1 No person shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any Share (save as may be required in pursuance of his obligations under these Articles) or create or permit to exist any charge, lien, encumbrance or trust over any Share or agree to do any of such things except as permitted by Articles 10 or 11.

7.2 If a person at any time attempts to deal with or dispose of a Share or any interest therein or right attaching thereto otherwise than as permitted by these Articles he (or the person holding such Shares as his nominee) shall be deemed immediately prior to such attempt to have given a transfer notice in respect of such Share.

7.3 A transfer notice which is given or is deemed to have been given under Article 7.2, 10.3, 10.4, 10.5 or 12 shall be deemed not to contain a Total Transfer Condition (as defined in Article 11) and shall not be revocable.

8. The directors shall refuse to register any transfer of Shares made in contravention of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise, save as provided to the contrary in these Articles, be entitled to refuse to register any transfer of Shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

9 Where a transfer notice (as hereinafter defined) in respect of any Share is



deemed to have been given under any provision of these Articles and the circumstances are such that the directors (as a whole) are unaware of the facts giving rise to the same such transfer notice shall be deemed to have been received by the directors on the date on which the directors (as a whole) actually become aware of such facts and the provisions of Article 12 shall apply accordingly.

### **PERMITTED TRANSFERS**

- 10.1 Any Shares (other than any Shares in respect of which the holder shall have been required by the directors under these Articles to give a transfer notice or shall have been deemed to have given a transfer notice) may at any time be transferred
- 10.1.1 by any individual member (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Privileged Relation of such member, or
  - 10.1.2 by any such individual member to trustees to be held upon a Family Trust related to such individual member; or
  - 10.1.3 by any member being a company (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trust) to a Member of the same Group as the Transferor Company; or
  - 10.1.4 by any member pursuant to a Come Along Notice validly given in accordance with Article 14; or
  - 10.1.5 by any member holding shares as nominee to the person who is the beneficial owner of such Shares or to a different or additional nominee on behalf of the beneficial owner provided that beneficial ownership of the Shares remains the same; or
  - 10.1.6 by any member of the IP Group to any employee of any member of the IP Group or to any nominee of or trustee for any such employee; or
  - 10.1.7 by any employee of any member of the IP Group or by any nominee of or trustee for any such employee to any member of the IP Group.
- 10.2 Where Shares have been issued to the trustees of a Family Trust or transferred under Article 10.1 or under Article 10.2.1 or Article 10.2.2 to the trustees of a Family Trust, the trustees and their successors in office may (subject to the provisions of Article 10.1) transfer all or any of the Relevant Shares
- 10.2.1 to the trustees for the time being of the Family Trust concerned on any change of trustees,
  - 10.2.2 to the trustees for the time being of any other trust being a Family Trust in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
  - 10.2.3 to any beneficiary of the Family Trust concerned
- 10.3 If and whenever any of the Relevant Shares come to be held otherwise than upon a Family Trust, except in circumstances where a transfer thereof is authorised pursuant to Article 10.2 to be and is to be made to the person or persons entitled

thereto, it shall be the duty of the trustees holding such Shares to notify the directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned.

- 10.4 If a person to whom Shares have been transferred pursuant to Article 10.1.1 shall cease to be a Privileged Relation, such person shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Shares concerned.
- 10.5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 10.1.3) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the directors in writing that such event has occurred and (unless the Relevant Shares are transferred to the Transferor Company or a Member of the same Group as the Transferor Company within 14 days of such event, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the directors so to do, to give a transfer notice in respect of the Relevant Shares

### **PRE-EMPTION RIGHTS**

- 11.1 Except in the case of a Permitted Transfer, no Share shall be transferred until the following conditions of this Article 11 are complied with
- 11.2 Any member proposing to transfer a Share ("the proposing transferor") shall give notice in writing ("transfer notice") to the directors that the proposing transferor desires to transfer such Share at the Transfer Price (as hereinafter defined). All such Shares comprised in such transfer notice are in these Articles referred to as "Transfer Shares".
- 11.3 A transfer notice shall state whether the proposing transferor wishes to impose a Total Transfer Condition (meaning a condition that unless all of the Transfer Shares are sold pursuant to the following provisions of this Article none shall be so sold), but in the absence of such a statement the transfer notice shall be deemed not to contain a Total Transfer Condition
- 11.4 The transfer notice shall constitute the Company (by its board of directors) as the agent of the proposing transferor empowered to sell the Transfer Shares (together with all rights attaching thereto at the date of the transfer notice or at any time thereafter) at the Transfer Price (as hereinafter defined) on the terms of this Article. Once given a transfer notice may not be revoked save with the prior written consent of all the other members or as provided in Article 11.7 2
- 11.5 Within seven days after the receipt of any transfer notice the directors shall serve a copy of that transfer notice on all the members other than the proposing transferor. In the case of a deemed transfer notice the directors shall similarly serve notice on all the members (including the proposing transferor), notifying them that the same has been deemed to have been given, within one month after (i) the date of the event giving rise to the deemed transfer notice or (ii) (if later) the date on which the directors (as a whole) actually became aware of such event.
- 11.6 Subject as provided otherwise in these Articles the Transfer Shares shall be offered for purchase (as hereinafter provided) at a price per Transfer Share ("the Transfer Price") determined in accordance with Article 11.7

- 11.7.1 The Transfer Price shall be such price as shall be agreed in writing between the proposing transferor and the directors or in the absence of such agreement (whether by reason of disagreement, absence, death or otherwise) within twenty one days after the service of notices pursuant to Article 11.5 the Transfer Price will be determined by the auditors of the Company (acting as experts and not as arbitrators) who shall certify in writing their opinion of the fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any effect upon value attributable to the fact that the Transfer Shares represent a minority or majority interest but taking into account the restrictions on transfer herein contained
- 11 7 2 If the auditors are asked to certify the fair value as aforesaid their certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the proposing transferor. Following the service upon him of the certified copy of the certificate the proposing transferor shall, subject to Article 7 3, have ten days in which to revoke the transfer notice and cancel the authority of the Company to sell the Transfer Shares. The cost of obtaining the certificate shall be borne by the Company unless the proposing transferor shall give notice of cancellation as aforesaid in which case he shall bear the said cost
- 11 7 3 The Transfer Price shall be a sum equal to the fair value of the Transfer Shares determined as aforesaid divided by the number of Transfer Shares. The Company will use its reasonable endeavours to procure that the auditors determine the Transfer Price within twenty one days of being requested so to do
- 11 8 If the determination of the Transfer Price is referred to the auditors the date of determination of the Transfer Price ("the Determination Date") shall be the date on which the directors receive the auditors' determination of the Transfer Price in writing. If the Transfer Price is determined by agreement between the proposing transferor and the directors as aforesaid then the Determination Date shall be the date on which such agreement is made
- 11 9 Within seven days after the Determination Date the Transfer Shares shall be offered for purchase at the Transfer Price by the directors to all members (other than the proposing transferor) in proportion to the number of Shares then held by them respectively. Every such offer shall be made in writing and shall specify (a) the total number of Transfer Shares; (b) the number of Transfer Shares offered to the member ("Pro Rata Entitlement"), (c) whether or not the transfer notice contained a Total Transfer Condition and (d) a period (being not less than fourteen days and not more than twenty one days) within which the offer must be accepted or shall lapse, and shall be accompanied by a form of application for use by the member in applying for his Pro Rata Entitlement and for any Shares in excess of such entitlement which he wishes to purchase. Upon the expiry of the said offer period, the Directors shall allocate the Transfer Shares in the following manner
- 11 9 1 to each member who has agreed to purchase Shares, his Pro Rata Entitlement or such lesser number of Transfer Shares for which he may have applied;
- 11.9.2 if any member has applied for less than his Pro Rata Entitlement, the excess shall be allocated to the members who have applied for any part of such excess in proportion to the number of Shares then held by them respectively (but without allocating to any member a greater number of Transfer Shares than the maximum number applied for by him) and any remaining excess shall be apportioned by applying this Article

11 9 2 without taking account of any member whose application has already been satisfied in full.

11 10 If any of the Transfer Shares shall not be capable of being offered or allocated as aforesaid without involving fractions, the same shall be offered to or allocated amongst the members, or some of them, in such proportions as may be determined by lots drawn in respect thereof, and the lots shall be drawn in such manner as the directors shall think fit.

11 11 If by the foregoing procedure the directors shall not receive acceptances in respect of all the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of that fact to the proposing transferor. The directors shall then be entitled within fourteen days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice

11.12 If the directors shall serve a Compulsory Purchase Notice upon the proposing transferor pursuant to Article 11 11 or Article 11.16 they shall:-

11.12.1 draw up a draft contract of purchase which provides for completion at the Company's registered office of the purchase of the relevant Transfer Shares on the expiration of seven days after the passing of the special resolution hereinafter mentioned,

11.12 2 convene a meeting to consider a special resolution to authorise such contract of purchase, such meeting to be held not later than 30 days after the date on which the Compulsory Purchase Notice was served, and

11 12 3 procure that the relevant requirements of Sections 162 to 177 of the Act relating to the purchase by the Company of its own shares are complied with.

11 13 The proposing transferor is deemed, by virtue of his having become a member of the Company, to have agreed.-

11.13.1 to any contract which is drawn up by the directors following the service upon him of a Compulsory Purchase Notice;

11.13.2 to have appointed any person nominated by the directors to execute such contract on his behalf, and

11.13.3 that, subject to the provisions of Article 11.14, he shall transfer the relevant Transfer Shares to the Company at completion. If he makes default in so doing a director or some other person duly nominated by a resolution of the directors for that purpose, shall forthwith be deemed to be the duly appointed attorney of the proposing transferor with full power to execute complete and deliver in the name and on behalf of the proposing transferor a transfer of the relevant Transfer Shares to the Company. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money in trust for the proposing transferor until he shall deliver up his certificates for the relevant Transfer Shares to the Company when he shall thereupon be paid the purchase money

11.14 If by the foregoing procedure the directors shall not have received acceptances

in respect of all the Transfer Shares and shall not have served a Compulsory Transfer Notice or a Compulsory Purchase Notice in respect of all of the Transfer Shares not accepted by the members or if the requirements of Sections 162 to 177 of the Act have not been complied with in relation to the purchase by the Company of the relevant Transfer Shares pursuant to a Compulsory Purchase Notice and the transfer notice in question did contain a Total Transfer Condition then none of the Transfer Shares shall be sold to the members or to any person nominated by the directors pursuant to a Compulsory Transfer Notice or to the Company pursuant to a Compulsory Purchase Notice. The proposing transferor may then within a period of four months after the expiry of the fourteen day period referred to in Article 11 11 sell all (but not some only) of the Transfer Shares to any person or persons at any price which is not less than the Transfer Price

- 11 15 If the directors shall receive acceptances pursuant to the provisions of this Article in respect of all the Transfer Shares (or all of the Transfer Shares other than those which the Company is obliged to purchase following the service of a Compulsory Purchase Notice) either from the members or from any person or persons nominated by the directors pursuant to a Compulsory Transfer Notice they shall forthwith give notice in writing as hereinafter mentioned to the proposing transferor and to the person or persons who have agreed to purchase the same ("Purchaser" or "Purchasers") and the proposing transferor shall thereupon become bound upon payment of the Transfer Price to the proposing transferor (whose receipt shall be a good discharge to the Purchaser, the Company and the directors therefor none of whom shall be bound to see to the application thereof) to transfer to each Purchaser those Transfer Shares accepted by him. Every such notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the place and time appointed by the directors for the completion of the purchase (being not less than seven days nor more than twenty-eight days after the date of the said notice and not being at a place outside England) Subject to the giving of such notice the purchase shall be completed at the time and place appointed by the directors
- 11 16 If the transfer notice in question did not contain a Total Transfer Condition and if by the foregoing procedure the Directors shall receive acceptances in respect of none or part only of the Transfer Shares within the period(s) of the aforesaid offer(s) they shall forthwith give notice in writing of the fact to the proposing transferor The directors shall then be entitled within 14 days of the date of service of that notice to serve upon the proposing transferor a Compulsory Transfer Notice and/or a Compulsory Purchase Notice and the provisions of Article 11 15 shall apply (mutatis mutandis) in respect of any Compulsory Transfer Notice so served
- 11 17 The proposing transferor may, within the period of four months after the expiry of the fourteen day period referred to in Article 11 16 sell any of the Transfer Shares which have not been accepted by members pursuant to Article 11.9 and which are not the subject of a Compulsory Purchase Notice or Compulsory Transfer Notice served within such fourteen day period, to any person or persons at any price which is not less than the Transfer Price.
- 11.18 If a proposing transferor, having become bound to transfer any Transfer Shares pursuant to this Article, makes default in transferring the same the directors may authorise some person (who is, as security for the performance of the proposing transferor's obligations, hereby irrevocably and unconditionally appointed as the attorney of the proposing transferor for the purpose) to execute the necessary instrument of transfer of such Transfer Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the

transferee to be registered as the holder of such Transfer Shares and shall hold such purchase money on behalf of the proposing transferor. The Company shall not be bound to earn or pay interest on any money so held and shall not pay such money to the proposing transferor until he shall have delivered his share certificates (or an appropriate indemnity in respect of any lost certificates) to the Company. The receipt of the Company for such purchase money shall be a good discharge to the transferee who shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

- 11.19 The directors may require (acting reasonably) to be satisfied that any Shares being transferred by the proposing transferor pursuant to either Article 11.14 or Article 11.17 are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer and if not so satisfied may refuse to register the instrument of transfer.

### **COMPULSORY TRANSFERS**

- 12.1 If a member is adjudicated bankrupt he shall be deemed immediately to have given a transfer notice in respect of all Shares then registered in his name.
- 12.2 If a Share remains registered in the name of a deceased member for longer than one year after the date of his death the directors may require the legal personal representatives of such deceased member either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a transfer notice in respect of such Share.
- 12.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall be deemed immediately to have given a transfer notice in respect of all of the shares held by such member and/or such Permitted Transferee.
- 12.4 In the case of a Relevant Member, or the Relevant Executive in relation to a Relevant Member, who becomes a Leaver at any time then (unless the directors resolve otherwise) such Relevant Member shall, unless the directors determine otherwise, be deemed to have given, on the date on which he or the Relevant Executive concerned became a Leaver (or such later date as the Directors shall specify), a transfer notice in respect of all of the Shares held by such Relevant Member.
- 12.5 If a person who is not (or has ceased to be) a consultant or employee of or to the Company or any subsidiary of the Company at the date of acquisition referred to below acquires Shares in pursuance of a right or interest obtained by such an employee or consultant (including but not limited to his right or interest as a beneficiary under a trust and any option granted under any share option scheme established by the Company), he shall, upon being registered as the holder of such Shares, unless the directors determine otherwise, be deemed to have given a transfer notice in respect of all of the Shares registered in his name.
- 12.6 Where a transfer notice is deemed to have been given pursuant to Article 12.4

or 12.5, the Transfer Price shall be, in the case of

- 12 6.1 a Good Leaver, the price per Transfer Share determined in accordance with Article 11 7.1;
- 12 6 2 a Bad Leaver, the lower of the nominal value per Transfer Share or the price per Transfer Share determined in accordance with Article 11.7.1;

provided always that, in the case of a Bad Leaver, the directors may, in their absolute discretion, in any particular case increase the Transfer Price that would otherwise apply to the Bad Leaver up to a maximum price per Transfer Share determined in accordance with Article 11 7.1.

### 13. **MAJORITY CHANGE OF CONTROL**

- 13.1 Notwithstanding any other provision in these Articles no sale or transfer or other disposition of any interest in any Share shall have any effect, if it would result in a Majority Change of Control, unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance with this Article 13 to purchase at the Transfer Price in relation to the Share mentioned above all the Shares held by the Shareholders (except any Shareholder which has expressly waived its right to receive such an offer for the purpose of this Article 13).
- 13 2 An offer made under Article 13.1 shall be in writing open for acceptance for at least 21 days after full implementation of the pre-emption rights and procedures set out in Article 11, shall be recirculated with a reminder in writing to all the Shareholders at least 7 days before the date for acceptance set out in the offer and shall be deemed to be rejected by any Shareholder who has not accepted it in accordance with its terms within the period set out in the offer
- 13.3 The Acquirer shall complete the purchase of all Shares in respect of which the offer is accepted at the same time as he completes the purchase of the Shares whose proposed purchase gave rise to such offer. The acceptance by any Shareholder of such offer shall not require the accepting Shareholder to give a transfer notice in accordance with Article 11.2.

### 14. **COME ALONG OPTION**

- 14 1 If any one or more Shareholders (together the "Selling Shareholders") wish to transfer any Shares which would result in a Special Change of Control, the Selling Shareholders or, after the transfer by them of their Shares to the Acquirer resulting in the Special Change of Control, the Acquirer shall have the option (the "Come Along Option") to require all the other holders of Shares to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this Article 14.
- 14 2 The Selling Shareholders or the Acquirer may exercise the Come Along Option by giving notice to that effect (a "Come Along Notice") to all such other Shareholders (the "Called Shareholders") at any time after the Selling Shareholders have agreed to transfer the Shares held by them giving rise to the Special Change of Control. A Come Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to Article 14 1, at the price at which the Called Shares are to be transferred (calculated in accordance with Article 14.4) and the proposed date of transfer.
- 14 3 A Come Along Notice is irrevocable but the Come Along Notice and all obligations thereunder will lapse if the Come Along Notice is given before the

transfer of Shares resulting in the Special Change of Control and for any reason there is not a Special Change of Control caused by a transfer of Shares by the Selling Shareholders to the Acquirer within 6 months of the date of the Come Along Notice

14.4 The Called Shareholders shall be obliged to sell the Called Shares at the price per Share at which the relevant transfer of Shares referred to in Article 14.1 takes place or took place

14.5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer except that

14.5.1 such person may not specify a date that is less than 14 days after the date of the Come Along Notice;

14.5.2 if the Come Along Notice is given by the Selling Shareholders, the date so specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of the Shares giving rise to the Special Change of Control.

unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise.

14.6 If any of the Called Shareholders shall make default in selling its Shares in accordance with this Article 14, any director of the Acquirer or other person duly nominated by resolution of the directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholder with such power to execute, complete and deliver in the name and on behalf of such Called Shareholder a transfer of the relevant Called Shares and any such director may receive and give a good discharge of the purchase money on behalf of such Called Shareholder and (subject to the transfer being duly stamped) the Company may enter the name of the third party in the register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The directors shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for such Called Shareholder until he shall deliver up a certificate or certificates for the relevant shares to the Company and he shall thereupon be paid by the purchase money.

## **VOTING**

15. Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every Share of which he is the holder.

## **APPOINTMENT OF DIRECTORS**

16. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director provided always that the number of directors shall not, unless otherwise determined by a majority vote of the directors, exceed seven.

## **PROCEEDINGS OF DIRECTORS**



17. Notice of every meeting of the directors shall be given to each director at any address supplied to him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him
18. The directors, or a committee of the directors, may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations. The views of the directors, or a committee of the directors, as ascertained by such telephone conversations and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the directors (or, as the case may be of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.
- 19 1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office -
  - 19.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
  - 19 1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,
  - 19.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
  - 19 1 4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and
  - 19 1 5 shall not be entitled to vote or to count in the quorum at any meeting of the Board or any committee thereof on any matter concerning the foregoing paragraphs of this article
- 19 2 For the purposes of this Article:-
  - 19.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
  - 19 2 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be

treated as an interest of his, and

- 19.2.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

## **INDEMNITY**

- 20.1 Subject to the provisions of and so far as may be consistent with the Act, but without prejudice to any indemnity to which a director may be otherwise entitled, every director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise properly in relation to or in connection with his duties, including (but without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court
- 20.2 Subject to the Act the Company may purchase and maintain for any director, Auditor, Secretary or other officer of the Company insurance cover against any liability which by virtue of any rule of law may attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company and against all costs, charges, losses and expenses and liabilities incurred by him and for which he is entitled to be indemnified by the Company by virtue of Article 20.1.