

Company Number: 05780281

**THE COMPANIES ACT 1985 TO 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**WRITTEN RESOLUTIONS OF THE ORDINARY SHAREHOLDERS**

of

**OSTEOTRONIX LIMITED  
(the "Company")**

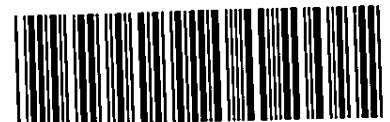
The undersigned, being all the members of the Company, for the time being entitled to attend and vote at General Meetings of the Company, hereby pass the following resolutions, and agree that the said resolution shall for all purposes be effective as if the same had been passed at a General Meeting of the Company duly convened and held

**ORDINARY RESOLUTIONS**

- 1 THAT** the authorised share capital of the Company be and is hereby increased from £2,000 00 to £2004 10 by the creation of 41 Preferred Ordinary Shares of £0 10 each having the rights set out in the Articles of Association adopted pursuant to resolution 6
- 2 THAT** the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Companies Act 2006) ("the Act") up to an aggregate nominal amount of £4 10 in addition to any authority previously conferred upon them PROVIDED that this authority shall expire on the date 5 years after the passing of this resolution, save that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred thereby had not expired
- 3 THAT** 5184 unissued Ordinary Shares in the capital of the Company be reclassified as Preferred Ordinary Shares, each having the rights set out in the articles of association to be adopted and referred to at resolution 6 below
- 4 THAT** the 2,274 issued Preference Shares in the capital of the Company be reclassified as Preferred Ordinary Shares, each having the rights set out in the articles of association to be adopted and referred to at resolution 6 below ;

**SPECIAL RESOLUTIONS**

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COMPANIES HOUSE

5 THAT subject to the passing of the previous resolution the Directors be and are hereby empowered pursuant to Section 571 of the Act to allot equity securities (within the meaning of Section 560 of the act) pursuant to the authority conferred by the previous Resolution, as if Section 561 of that Act did not apply to any such allotment PROVIDED that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £4 10 and shall expire on the date 5 years after the date of passing of this resolution, save that the Company may, before such expiry, make an offer or agreement which would or might require the allotment of equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired

6 THAT the regulations contained in the document attached to this resolution be adopted as the articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association

This document was circulated to the members of the Company on

Each of the undersigned a persons entitled to vote on the Ordinary Resolutions and Special Resolutions set out above hereby irrevocably agrees to the above Ordinary Resolutions and Special Resolutions

  
Date 1 APRIL 2010

Company Number: 05780281

**THE COMPANIES ACT 1985 TO 2006**

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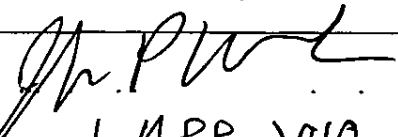
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Date 1. APR 2010

Company Number: 05780281

**THE COMPANIES ACT 1985 TO 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**WRITTEN RESOLUTIONS OF THE PREFERENCE SHAREHOLDERS**

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(the "Company")**

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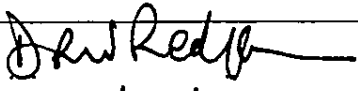
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Date 7/4/2010

Company Number: 05780281

**THE COMPANIES ACT 1985 TO 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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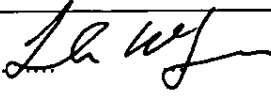
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Date 2010.04.01



**Company No. 5780281**

**THE COMPANIES ACTS 1985 to 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

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**(adopted by special resolution passed on 8 April 2010)**

**of**

**OSTEOTRONIX LIMITED**



**HUGH JAMES**



**COMPANIES HOUSE**

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## PRELIMINARY

### 1 TABLE A

1 1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these Articles, and the regulations contained in these Articles shall together constitute the regulations of the Company

1 2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 do not apply to the Company

### 2 INTERPRETATION

2 1 In these Articles unless the context otherwise requires each of the following words and expressions shall have the following meanings

**acting in concert** shall have the meaning set out in the City Code on Takeovers and Mergers for the time being,

**the Act** the Companies Act 2006 (as amended),

**Auditors** the auditors to the Company for the time being,

**Altima** Altima Global Special Opportunities Master Fund Limited, a company incorporated under the laws of the Cayman Islands whose registered office is at Queensgate House, South Church Street, PO Box 1234 GT, Grand Cayman, Grand Cayman Islands

**A Ordinary Shares** the A ordinary shares of £0.10 each in the share capital of the Company from time to time in issue pursuant to the Share Option Scheme,

**Board** the board of Directors of the Company for the time being or, as the context may require, any duly authorised committee,

**Business Day** any day except Saturday, Sunday or any Bank Holiday in England or Wales,

<b>Controlling Interest</b>	an interest (within the meaning of schedule 8 and section 820 of the Act) in Shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company,
<b>connected with</b>	shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988,
<b>Director</b>	any director of the Company (or his duly appointed alternate) from time to time,
<b>Equity Shareholder</b>	the holders of Equity Shares,
<b>Equity Shares</b>	the Ordinary Shares and the Preferred Ordinary Shares,
<b>Family Member</b>	the spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren) of a member of the Company,
<b>Family Shares</b>	in relation to a member of the Company, any Shares for the time being held by that member or any of his Family Members or trustees of his Family Trust,
<b>Family Trust</b>	in relation to a member of the Company that is an individual or deceased or a former member that is an individual, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members,

<b>Financial Year</b>	an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,
<b>Finance Wales</b>	Finance Wales Investments (6) Limited (registered in England and Wales with company number 6763979),
<b>Founder Shareholder</b>	each of John Heinrich, Timothy James and Peter Taylor,
<b>Group</b>	the Company and its subsidiary undertakings from time to time and references to " <b>member of the Group</b> " or to " <b>Group Member</b> " shall be construed accordingly,
<b>holder</b>	in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share,
<b>Investment Date</b>	the date of the adoption of the Articles,
<b>Investor Director</b>	any Director appointed by the Investors pursuant to <b>Article 19</b> ,
<b>Investor Group</b>	in respect of each Investor <ul style="list-style-type: none"> <li>(a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a "<b>Relevant Person</b>"), or,</li> <li>(b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser, or</li> <li>(c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser, or</li> </ul>

- (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person, or
- (e) any nominee or trustee of any Relevant Person, or
- (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person,

**Investors**

Finance Wales and Altima (or any successors in title to any interest in Shares of the Investors, as the case may be),

**Issue Price**

in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium,

**Listing**

the admission by the Financial Services Authority in its capacity as the UK Listing Authority of any part of the share capital of the Company to the Official List of London Stock Exchange plc or the admission by London Stock Exchange plc of any part of the share capital of the Company to trading on the Alternative Investment Market of London Stock Exchange plc or the admission by any recognised investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000) of any part of the share capital of the Company, and, in each case, such admission becoming effective,

**Ordinary Shares**

the ordinary shares of £0.10 each in the capital of the Company having the rights set out in **Article 4**,

<b>Preferred Dividend</b>	the dividend payable to the holders of the preferred ordinary Shares,
<b>Preferred Ordinary Shares</b>	the convertible Preferred Ordinary shares of £0 10 each in the capital of the Company having the rights set out in <b>Article 4</b> ,
<b>Sale</b>	the transfer (other than a transfer permitted under <b>Article 8</b> , except <b>Article 8.5</b> ) of any interest in the Shares of the Company to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a Controlling Interest,
<b>Shares</b>	the Ordinary Shares, Preferred Ordinary Shares and the A Ordinary Shares, or any of them (as the context so requires),
<b>Share Option Scheme</b>	the scheme established by the Company for the benefit of employees or any of the persons referred to in section 1166 of the Act and which has been approved by the Investors, and
<b>Table A</b>	the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, The Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007

- 2 2 Words and expressions defined in or having a meaning provided by the Act (but excluding any statutory modification not in force on the date of adoption of these Articles) shall, unless the context otherwise requires, have the same meanings when used in these Articles

## SHARE RIGHTS

### 3 AUTHORISED SHARE CAPITAL

The authorised share capital of the Company at the date of adoption of these Articles is £2004 10 divided into 9801 Ordinary Shares, 7499 Preferred Ordinary Shares and 2741 A Ordinary Share

### 4 RIGHTS ATTACHED TO SHARES

The rights attached to the Shares are as follows:

#### 4.1 Dividends

The profits of the Company available by law for distribution in respect of any Financial Year shall be applied in the following manner and order of priority

- 4.1.1 Firstly, the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose, pay to the members holding Preferred Ordinary Shares a fixed cumulative preferential net cash dividend which is equal to either (i) the per centum of subscription price per Preferred Ordinary Share (being deemed to be £225.19) for the periods set out in the table below, or (ii) any other dividend declared by the Company in that period, whichever is the higher. Each Preferred Dividend shall be paid in instalments on 30 June and 31 December in each year to the Investors (the first such payment to be made for the period from and including the Investment Date up to and including 30 June 2010)

Financial Period	Dividend (% of <u>subscription price (i.e. £225.19)</u> )
Investment Date to 30 June 2010	10%
1 July 2010 to 31 <sup>st</sup> December 2010	12.5%
1 January 2011 to 30 <sup>th</sup> June 2011	15%
1 July 2011 to 31 <sup>st</sup> December 2011	17.5%
1 January 2012 onwards	20%

- 4.1.2 Thereafter dividends shall be paid in accordance with **Article 4.1.5**

- 4.1.3 If the Company fails to pay a Preferred Dividend on a date specified in this **Article 4.1**, interest thereon shall accrue from that date until payment at the following rates calculated on a daily basis over a 365 day year from and



including the date any sum becomes due to (and including) the date of actual payment

- a) in respect of the period from the Investment Date until 30 June 2010, 10 per cent ,
- b) in respect of the period from 1 July 2010 to 31 December 2010, 12 5 per cent ,
- c) in respect of the period from 1 January 2011 to 30 June 2011, 15 per cent ,
- d) in respect of the period from 1 July 2011 to 31 December 2011, 17 5 per cent , and
- e) in respect of the period from 1 January 2012, 20 per cent

PROVIDED THAT interest shall be compounded (by being added to the existing outstanding principal for purposes of calculation of interest thereafter) on 31st December in each year

4 1 4 Where the Company is precluded by the Act or otherwise from paying in full any Preferred Dividend on any date specified in this **Article 4.1**, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date -

- (a) the Company shall pay, on that date, to the holders of such Shares on account of that dividend the maximum sum (if any) which can then, consistently with the Acts be paid by the Company, and
- (b) as soon as the Company is no longer precluded from doing so, the Company shall in respect of such Shares pay on account of the balance of that dividend for the time being remaining outstanding, and until all arrears, accruals and deficiencies of such dividends have been paid in full, the maximum amount of such dividends which can, consistently with the Act properly be paid by the Company at that time

4 1 5 Subject to the payment of the Preferred Dividend and prior written consent of the Investors, any remaining profits which the Company determines by ordinary resolution to distribute in respect of any Financial Year shall be

applied in distributing the balance of such profits amongst the holders of the Preferred Ordinary Shares, Ordinary Shares and A Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share

- 4 1 6 The Company shall procure the distribution to the Company in respect of each financial year by way of dividend sufficient of the profits of its subsidiaries (if any) to enable the Company to pay the Preferred Dividend

## 4 2 Capital

- 4 2 1 On a return of capital on liquidation or capital reduction or otherwise, the surplus assets of the Company remaining after the payment of its liabilities shall be applied as follows

- (a) first in paying to each member holding Preferred Ordinary Shares

(i) all unpaid arrears and accruals of the Preferred Dividend on the Preferred Ordinary Shares held by him calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with the articles), and

(ii) an amount equal to the Issue Price of all the Preferred Ordinary Shares held by him,

(and in the event that there is insufficient surplus assets to pay such amounts due under (i) and (ii) above for all Preferred Ordinary Shares, the surplus assets shall be paid to the holders of Preferred Ordinary Shares pro rata to the number of Preferred Ordinary Shares held),

- (b) secondly, in paying to each holder of Ordinary Shares and A Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share and Ordinary A Share held by him, and

- (c) thereafter, in distributing the balance of such assets amongst the holders of the Preferred Ordinary Shares, Ordinary Shares and the A Ordinary Shares (*pari passu* as if they constituted one class of Share)

in proportion to the numbers of the Preferred Ordinary Shares, Ordinary Shares and A Ordinary Shares held by them respectively

#### **4 3 Conversion**

- 4 3 1 Each member holding Preferred Ordinary Shares may at any time convert all their Preferred Ordinary Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company at its registered office and the other holders of Preferred Ordinary Shares. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and members shall do all acts necessary to procure that conversion. For the avoidance of doubt, such Preferred Ordinary Shares shall be converted into Ordinary Shares of the same nominal value.
- 4 3 2 In this **Article 4.3**, the "**conversion date**" means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with this **Article 4.3**.
- 4 3 3 Each member holding Preferred Ordinary Shares shall deliver the certificate(s) for those Preferred Ordinary Shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion.
- 4 3 4 The Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend attributable to the Financial Year of the Company in which the conversion date falls, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to each holder of Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of
- (a) all arrears and accruals of the Preferred Dividend attributable to Financial Years ending on or before the conversion date, whether declared or earned and payable under these Articles or not, and

- (b) the Preferred Dividend from the date of the commencement of the then current Financial Year of the Company down to and including the conversion date, whether declared or earned and payable under these articles or not

4 3 5 If upon the conversion of any of the Preferred Ordinary Shares into Ordinary Shares any amount of the Preferred Dividend has been declared but not paid, the holder of the Preferred Ordinary Share shall be entitled to elect that in lieu of receipt of all or part of the unpaid Preferred Dividend, the holder of the Preferred Ordinary Shares should receive such number of Ordinary Shares equal to X where

(a) 
$$X = \left[ \frac{P}{225.19} \right]$$

- (b) P = the amount of the unpaid Preferred Dividend which the holder of the Preferred Ordinary Shares elects to convert

4 3 6 The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid by reference to a record date on or after the conversion date on the Ordinary Shares

#### 4 4 Voting

4 4 1 The holders of the Equity Shares shall be entitled to receive at least 14 days' notice (or shorter if agreed by majority in number of members entitled to vote) of and to attend and speak at any general meetings of the Company and the holder of such Equity Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by duly authorised representative or by proxy shall, on a show of hands, have one vote, and, on a poll, have one vote each for every Equity Share of which he is the holder

4 4 2 The holders of the A Ordinary Shares shall not be entitled to receive notice of or to attend or vote at general meetings of the Company, save in respect of matters relating solely to the A Ordinary Shares

#### 4 5 Leaver

If a person gives a Deemed Transfer Notice pursuant to **Article 11** as a result of a Transfer Event described in **Article 11.1.1** occurring, then such person shall from the date of such Deemed Transfer Notice cease to have any of the rights described in

4 5 1 **Article 4.1 (dividends), and**

4 5 2 **Article 4.4 (voting)**

## **5 SALE OF THE SHARE CAPITAL OF THE COMPANY**

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling holders in the same order of priority as a return of capital as set out in **Article 4.2**

## **6 VARIATION OF RIGHTS**

Whenever the share capital of the Company is divided into different classes of share, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) either (i) with the consent in writing of the holders of more than three-quarters of the issued shares of that class, or (ii) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class To every such separate general meeting all the provisions of these articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall apply

## **TRANSFER OF SHARES**

## **7 GENERAL**

7 1 No transfer of any Share in the capital of the Company shall be made or registered unless such transfer complies with the provisions of these Articles Subject thereto, the Board shall sanction any transfer so made unless (i) the registration thereof would permit the registration of a transfer of Shares on which the Company has a lien (ii) the transfer is to a minor or (iii) the Board is otherwise entitled to refuse to register such transfer pursuant to these Articles

7 2 For the purposes of these Articles, the following shall be deemed (but without limitation) to be a transfer by a holder of Shares in the Company

7 2 1 any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a share be allotted or issued or transferred to some person other than himself, and

7 2 2 any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder and, (ii) whether or not for consideration

## 8 PERMITTED TRANSFERS

Notwithstanding the provisions of any other article, the transfers set out in this **Article 8** shall be permitted without restriction and the provisions of **Article 9** (Voluntary Transfers) and **10** (Change of Control) shall have no application

### 8 1 Permitted Transfers by Investors

8 1 1 Any Investor holder being a body corporate shall be entitled to transfer all or any of its Shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Group Company**") but if a Group Company whilst it is a holder of Shares in the Company shall cease to be a Group Company in relation to the body first holding the relevant Shares it shall, within 15 Business Days of so ceasing, transfer the Shares held by it to such body or any Group Company of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Articles 9 and 11**

8 1 2 A member of an Investor Group may transfer Shares to another member of that Investor Group

8 1 3 The Investors shall be entitled to transfer all or any of their Shares to any third party in their absolute discretion

### 8 2 Permitted Transfers by all Shareholders

8 2 1 Subject to **Articles 8.2.1 to 8.2.5** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be

- (a) a bare nominee or trustee for that holder,
- (b) a Family Member of his (who is not a minor), or
- (c) trustees to be held under a Family Trust in relation to that individual or their Family Members,

provided that (i) in the case of (a) above, the transferor certifies to the Company, and the Directors are satisfied, that no beneficial interest in the Shares passes by reason of the transfer, and (ii) in the case of (b) and (c) above, the Shares so transferred shall (for so long as they are held by such Family Member or under a Family Trust) cease to confer upon the holder(s) thereof (or any proxy) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or otherwise)

**8 2 2** Subject to **Article 8.2.4**, no Shares shall be transferred under **Article 8.2.1** by any person who previously acquired those Shares by way of transfer under **Article 8.2.1** save to the original holder of the Shares or to another individual who is a Family Member of the original holder of such Shares

**8 2 3** No transfer of Shares shall be made by a holder under **Article 8.2.1** if the proposed transfer will result in 50 percent or more of the Shares originally held by the member being held by that holder's Family Trusts and Family Members

**8 2 4** Where Shares are held by trustees under a Family Trust

- (a) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by the Investors,
- (b) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under **Article 8.2.1** if he had remained the holder of them, and
- (c) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 8.2(4)(b)**), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 11**

8 2 5 If.

(a) any person has acquired Shares as a Family Member of a holder by way of one or more permitted transfers, and

(b) that person ceases to be a Family Member of that holder,

that person shall forthwith transfer all the Shares then held by that person back to that holder, for such consideration as they agree, within 21 days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Shares then held by that person pursuant to **Article 11**

8 2 6 If the personal representatives of a deceased holder are permitted under these articles to become registered as the holders of any of the deceased holder's Shares and elect to do so, those Shares may at any time be transferred by those personal representatives under **Article 8.2** to any person to whom the deceased holder could have transferred such Shares under this article if he had remained the holder of them No other transfer of such Shares by personal representatives shall be permitted under this **Article 8**

8 3 Any holder may at any time transfer any Shares in accordance with the provisions of the Act to the Company

8 4 Any holder may at any time transfer all or any of his Shares to any other person with the prior written consent of the Investors

8 5 Any Equity Shares may be transferred pursuant to **Article 9** (Voluntary Transfer) and **10** (Change of Control)

8 6 The holders of A Ordinary Shares shall only be entitled to transfer Shares in accordance with the terms of this **Article 8**

## 9 **VOLUNTARY TRANSFERS**

9 1 Except as permitted under **Article 8**, any holder of Equity Shares who wishes to transfer their Shares (the **Vendor**) shall give notice in writing (the **Transfer Notice**) to the Company of his wish specifying



- 9 1 1 the number and class(es) of Shares (the **Sale Shares**) which he wishes to transfer;
  - 9 1 2 the name of any third party to whom he proposes to sell or transfer the Sale Shares (**Third Party Purchaser**),
  - 9 1 3 the price at which he wishes to transfer the Sale Shares (the **Transfer Price**), and
  - 9 1 4 whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned (a **Total Transfer Condition**) and, in the absence of such stipulation, it shall be deemed not to be so conditional
- 9 2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified
- 9 2 1 that all the Shares registered in the name of the Vendor shall be included for transfer,
  - 9 2 2 that (subject to **Article 11**) the price for the Shares shall be as agreed between the Board and the Vendor or, failing agreement, shall be fair value as determined by the Auditors pursuant to **Article 12**, and
  - 9 2 3 that a Total Transfer Condition shall not apply
- 9 3 No Transfer Notice once given or deemed to be given in accordance with these Articles shall be withdrawn unless the Vendor is obliged to procure the making of an offer under **Article 10** and is unable so to procure In that event, the Vendor shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer
- 9 4 The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price
- 9 5
- 9.5 1 The Company shall as soon as practicable upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the Equity Shareholders informing them that the Sale Shares are available and of the Transfer Price Such notice shall

invite each Equity Shareholder to state, in writing (the **Response Notice**) within 28 Business Days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares

9 5 2 The Sale Shares shall be offered to each Equity Shareholder on terms that, in the event of competition, the Sale Shares offered shall be sold to the Equity Shareholders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares (the **Proportionate Entitlement**) It shall be open to each such holder to specify if he is willing to purchase Shares in excess of his Proportionate Entitlement (**Excess Shares**) and, if the holder does so specify, he shall state the number of Excess Shares

9 5 3 Within 3 days of the expiry of the offers to be made pursuant to **Article 9.5.1** (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in **Article 9.5.1**), the Board shall allocate the Sale Shares in the following manner

- (a) if the total number of Shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in the proportions set out in the Response Notices, or
- (b) if the total number of Shares applied for is more than the available number of Sale Shares, each Equity Shareholder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Article 9.5.2**, applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each Equity Shareholder applying for Excess Shares PROVIDED THAT such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take

and in either case the Company shall forthwith give notice of each such allocation (an **Allocation Notice**) to the Vendor and each of the persons to whom Sale Shares have been allocated (a **Member Applicant**) and shall specify in the Allocation Notice the place and time (being not later than 14 days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed

- 9 6 Subject to **Article 9.7**, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Board 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 the Vendor until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.
- 9 7 If the Vendor shall have included in the Transfer Notice a Total Transfer Condition and if the total number of Shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 business days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this **Article 9** shall be conditional upon such provision as aforesaid being complied with in full.
- 9 8 In the event that all the Sale Shares are not sold under the preceding paragraphs of this **Article 9** the Company shall have the option to purchase the Sale Shares on the same terms.
- 9 9 In the event that the Company does not wish to purchase the Sale Shares, the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the provisions herein contained in Articles 9 1-9 8 inclusive have been exhausted, transfer any Sale Shares (which have not been sold) to a Third Party Purchaser at any price not less than the Transfer Price PROVIDED THAT

- 9 9 1 if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled, save with the written consent of all the other shareholders of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such Third Party Purchaser,
- 9 9 2 any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the Third Party Purchaser and, if not so satisfied, may refuse to register the instrument of transfer, and
- 9 9 3 for the avoidance of doubt, the Board shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an offer in accordance with **Article 10** until such time as such offer has been made and, if accepted, completed

## 10 CHANGE OF CONTROL

- 10 1 1 Subject to **Article 10.1.2** if the effect of any transfer of Shares by a Vendor would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendor shall procure the making, by the proposed transferee of the Vendor's Shares, of a Come Along Offer to all of the other holders Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer) Until such Come Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers
- 10 1 2 The provisions of **Article 10.1.1** and **10.1.5** shall not apply to any transfer of Shares pursuant to **Article 8** (other than **Article 8.5**),
- 10 1 3 "**Come Along Offer**" means an unconditional offer, open for acceptance for not less than 20 Business Days, to purchase all Shares held by the recipients of a Come Along Offer or Shares which recipients may subscribe free from all liens, charges and encumbrances at a price per share equal to

the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 10.1.1** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of Shares

- 10 1 4 In the event of disagreement, the calculation of the relevant Come Along Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Auditors in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these Articles
- 10 1 5 If the majority of the Equity Shareholders (including both Investors) (in this **Article 10.1.5**, the **Vendors**) wish to transfer their Shares in the Company (the **Offer**) to any person (the **Purchaser**), then the Vendors shall also have the option to require all of the other holders of Shares to transfer all their Shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the **Drag Along Notice**) to that effect to all such other holders (the **Called Shareholders**) specifying that the Called Shareholders are, or will, in accordance with this **Article 10.1.5**, be required to transfer their Shares pursuant to this **Article 10.1.5** free from all liens, charges and encumbrances and the price (the **Proposed Price**) at which such Shares are proposed to be transferred
- 10 1 6 If the Called Shareholders (or any of them) shall make default in transferring their Shares pursuant to this **Article 10.1.6** the provisions of **Article 9.6** (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the Shares in respect of which such default is made, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of such Shares mutatis mutandis but the Transfer Price shall be the price offered for such Shares as set out in this **Article 10.1.6** and the provisions of **Article 9.7** shall not apply

## **11 COMPULSORY TRANSFERS**

**11 1** In this **Article 11**, a "**Transfer Event**" means, in relation to any member

**11 1 1** a member who is an individual

(a) becoming bankrupt, or

(b) dying,

and any Investor Director notifying the Company within 3 months of the matters coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article,

**11 1 2** a member making any arrangement or composition with his creditors generally and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article,

**11 1 3** a member which is a body corporate

(a) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets, or

(b) having an administrator appointed in relation to it, or

(c) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or

(d) having any equivalent action taken in any jurisdiction,

and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purpose of this article,

**11 1 4** a member who is or was previously a Director or employee of a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of any member of the Group and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article,

11 1 5 a member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member, and

11 1 6 failure by a member to make a transfer of Shares required by **Articles 8.1.1** or **8.2.5** and any Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article

11 2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired Shares from him under a permitted transfer pursuant to **Article 8.2** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of Shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a **Deemed Transfer Notice**) A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice

Notwithstanding any other provision of these articles, if an Investor Director so notifies the Board in relation to any Shares, any member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the Company in respect of those Shares between the date of the relevant Deemed Transfer Notice and the expiry of 3 months after the date of the Sale Notice given in respect of those Shares or, if earlier, the entry in the register of members of the Company of another person as the holder of those Shares

11 3 The Shares which are the subject of any Deemed Transfer Notice shall be offered for sale in accordance with **Article 9** as if they were Sale Shares in respect of which a Transfer Notice had been given save that

11 3 1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date of notification to the Company by an Investor Director that the relevant event is a Transfer Event,

- 11 3 2 subject to **Article 11.4**, the Sale Price shall be a price per Sale Share agreed between the Vendor, the Board and the Investors or, in default of agreement, within 21 days after the date of the Transfer Event, the Fair Value,
- 11 3 3 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable,
- 11 3 4 the Vendor may retain any Sale Shares for which Purchasers are not found or, after the expiry of the relevant offer notice and with the prior written approval of the Investors, sell all or any of those Sale Shares to any person (including any member) as any price per Sale Share which is not less than the Sale Price, and
- 11 3 5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event
- 11 4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within **Article 11.1.4** shall
  - 11 4 1 in the case of a Good Leaver (as defined in **Article 11.5**) be the higher of the Fair Value or the Issue Price, and
  - 11 4 2 in the case of a Bad Leaver (as defined in **Article 11.5**), be the lesser of their Fair Value and their Issue Price,
- 11 5 In **Article 11.4**
  - 11 5 1 "**Good Leaver**" refers to a person who ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and is not a Bad Leaver,
  - 11 5 2 "**Bad Leaver**" refers to any person who ceases to be a director or employee of any member of the Group either (i) before the second anniversary of the adoption of these Articles or (ii) by dismissal for gross misconduct at any time, and as a consequence is no longer a director or employee of any member of the Group unless, in the case of (i) above, a majority of Finance Wales, Altima and (excluding any relevant leaver) the Founder Shareholders (the "**Committee**") agree that such person, following written request from such person to the Company, should not be treated as



a Bad Leaver in which case the Committee shall have discretion to treat such person in all or just some respects in the same manner as a Good Leaver

11 6 For the purpose of **Article 11.1.4** the date upon which a member ceases to hold office or employment as described therein shall be

11 6 1 where a contract of employment or directorship is terminated by the employer by giving notice to the employee of the termination of the employment or directorship, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),

11 6 2 where a contract of employment or directorship is terminated by the employee by giving notice to the employer of the termination of the employment or directorship, the date of that notice,

11 6 3 save as provided in **Article 11.6.1** where an employer or employee wrongfully repudiates the contract of employment and the other accepts that the contract of employment has been terminated, the date of such acceptance,

11 6 4 where a contract of employment is terminated under the doctrine of frustration, the date of the frustrating event, and

11 6 5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Article 11.6.1** to **11.6.4** above, the date on which the action or event giving rise to the termination occurs

11 7 "**Fair Value**" for the purposes of these Articles means as agreed between the Board (with the approval of the Investors) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, by the Auditors in accordance with **Article 12**

11 8 For the purposes of this **Article 11**, if an Investor Director has not been appointed pursuant to **Article 19**, any reference to Investor Director shall mean an Investor

## 12 **VALUATION OF SHARES**

12 1 In the event that the Auditors are required to determine the price at which Shares are to be transferred pursuant to these articles, such price shall be the amount the

Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 12** is required), certify in writing to be the price which, in their opinion, represents a fair value for such Shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these articles (and shall assume that the entire issued share capital of the Company is being sold) and comprises only of Ordinary Shares

12 2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be conclusive and binding on the Company and upon all of its holders for the purposes of these articles

12 3 The costs of the Auditors shall be borne by the Company unless, in the case of a determination required pursuant to the provisions of **Article 9.2**, the amount determined by the Auditors is less than that suggested by the Board in which event the costs of the Auditors shall be borne by the Vendor

### 13 **COMPLIANCE**

13 1 For the purpose of ensuring (i) that a transfer of Shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles or (iii) whether an offer is required to be or ought to have been made under **Article 12**, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name.

13 2 Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such Transfer Notice is required to be or ought to have been given, or that no offer is required to be or ought to have been made under **Article 10**, or that as a result of such information and evidence

the Board is reasonably satisfied that such Transfer Notice is required to be or ought to have been given, or that an offer is required to be or ought to have been made under **Article 10**

13 2 1 where the purpose of the enquiry by the Board was to establish whether a Transfer Notice is required to be or ought to have been given, then a Transfer Notice shall be deemed to have been given by the holder of the relevant Shares in respect of such Shares, or

13 2 2 where the purpose of the enquiry by the Board was to establish whether an offer is required to be or ought to have been made under **Article 10**, then the Shares held by or on behalf of the person or persons connected with each other or acting in concert with each other who has or have (as the case may be) obtained a Controlling Interest as is referred to in **Article 10.1**, such Shares shall cease to entitle the relevant holder or holders (or any proxy) any rights to (i) receive dividends or other distributions (other than any amount payable to the holder of the relevant Shares upon a return of capital), or (ii) vote (whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at a separate meeting of the class in question) otherwise attaching to such Shares or to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holders to the extent that will result in such person or persons aforesaid only being able to control that percentage of the voting rights attaching to the Shares that such person or persons were in a position to control prior to the obligation to procure the making of an offer arising

13 2 3 The rights referred to in 13 2 2 above may be reinstated by the Directors with prior written consent of the Investors

## **GENERAL**

### **14 ISSUE OF SHARES**

14 1 All new Equity Shares (excluding any shares issued or to be issued upon conversion of any Preferred Ordinary Shares pursuant to Article 4 3) shall, before they are issued whether for cash or otherwise, be offered for subscription to the Investors in proportion, as nearly as may be, to their respective holdings of Equity Shares

- 14 2 The offer referred to in **Article 14.1** shall be made by notice specifying the number and class of Shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 10 Business Days) (the **First Offer Period**) within which the offer, if not accepted will be deemed to be declined
- 14 3 After the expiration of the First Offer Period, the Board shall offer Shares which have been declined or are deemed to have been declined to the persons who have within that period accepted all the Shares offered to them Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing a period (the **Second Offer Period**) of not less than 10 Business Days whether he is willing to take any, and if so what maximum, number of the Shares so offered
- 14 4 At the expiration of the Second Offer Period, the Board shall allot the Shares so offered to or amongst the persons who have notified their willingness to take such Shares and in, the event of competition, in proportion as nearly as may be to the number of Equity Shares held by such persons respectively as the case may be The Board shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article No member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take
- 14 5 Any shares not accepted by the foregoing procedure shall be at the disposal of the Board who may allot, grant options over, otherwise dispose of them to such persons at such time and generally on such terms and conditions as they may determine
- 14 6 If Shares are issued by the Company pursuant to Article 14 5 (**New Securities**) at a price per Share which equates to less than the Issue Price of the Preferred Ordinary Shares (a **Qualifying Issue**, which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new cash consideration for the allotment of the New Securities) the Company shall, unless and to the extent that the Investors shall have specifically waived their rights, offer (such offer, unless waived, to remain open for acceptance for not less than 15 Business Days) to the Investors the right to receive such number of new Preferred

Ordinary Shares (**Anti-Dilution Shares**) by applying the following formula (and rounding the products, N, down to the nearest whole share)

(i)  $N = (W/X) - Z$ , or

- (ii) where the Investors are required to subscribe in cash for any Anti-Dilution Shares in accordance with **Article 14.7.1**, the following calculation shall apply

$$N = (W - (XZ)) / (X - V)$$

Where

N = the number of Anti-Dilution Shares,

W = the total amount subscribed (whether in cash or by way of conversion of a loan) by an Investor for its Preferred Ordinary Shares,

X = the price (if any) at which each New Security is to be issued (which in the event that the New Security is not issued for cash shall be the sum certified by the Auditors acting as expert and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Securities),

Z = the number of Preferred Ordinary Shares as the case may be, held by an Investor prior to a Qualifying Issue, and

V = the nominal value of each Anti-Dilution Share

#### 14.7 The Anti-Dilution Shares shall

14.7.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Investors shall agree otherwise, in which event the Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investors) In the event of any dispute between the Company and the Investor as to the effect of Article 14.6, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued The Auditors' certification of the matter shall in the absence of manifest error be final and binding on the Company and the Investors, and

- 14 7 2 subject to payment of any cash payable pursuant to Article 14 7 1 (if applicable), be issued, credited fully paid up in cash and shall rank *par passu* in all respects with the existing Preferred Ordinary Shares, within 5 Business Days of the expiry of the offer being made by the Company to the Investors and pursuant to Article 14 7 1
- 14 8 Sections 561 and 562 of the Act shall not apply to the Company.
- 14 9 No Shares shall be allotted on the terms that the right to take up the Shares the allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person
- 14 10 Shares issued to a member by reference to his holding of a class of the Equity Shares shall on issue be designated a share of such class and any Equity Share as the Board with the prior approval of the Investors shall determine
- 14 11 In Regulation 2 the words "**ordinary resolution**" shall be omitted and the words "**special resolution**" shall be substituted for them
- 14 12 Notwithstanding any other provision of these Articles, the Board shall be bound to offer to each Investor such a proportion of any Shares forming part of the Equity Share capital of the Company which the Board determine to issue as the aggregate nominal value of Equity Shares for the time being held by such Investor bears to the total issued Equity Shares immediately before the issue of the Shares Any Shares issued to an Investor pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such Shares shall at the request of the Investor be registered in the name or names of any one or more members of its group of companies from time to time
- 15 **GENERAL MEETINGS**
- 15 1 No business shall be transacted at any general meeting unless a quorum of Equity Shareholders is present at the time when the meeting proceeds to business and for its duration Two persons, being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, [the holders then

present shall form a quorum, and regulation 41 of Table A shall be modified accordingly

- 15 2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly.

## 16 WRITTEN RESOLUTIONS

In the case of a corporation which holds a Share or Shares in the capital of the Company, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing as is referred to in regulation 53 of Table A, and regulation 53 of Table A shall be modified accordingly

## 17 RETIREMENT OF DIRECTORS

The Directors shall not be liable to retire by rotation and, accordingly, the second and third sentences of regulation 79 of Table A shall not apply to the Company, in regulation 78 of Table A, the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted

## 18 REMOVAL OF DIRECTORS

The office of any Director shall be vacated if

- 18 1 (in the case of an executive Director only) he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any other Group Member, or

- 18 2 (other than in the case of an Investor Director) all the other Directors request his resignation in writing,

and the provisions of regulation 81 of Table A shall be extended accordingly

## 19 INVESTOR DIRECTOR AND OBSERVER

- 19 1 The Investors may each from time to time appoint any person to be a Director with the title of investor director (**Investor Director**, which expression shall, where the context so permits, include a duly appointed alternate of such Investor Director) and from time to time remove the Investor Director from office

- 19 2 Any appointment or removal of the Investor Director shall be in writing served on the Company signed by the relevant Investor and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative
- 19 3 Notice of meetings of the Board shall be served at the registered office of the Investor if an Investor Director has not been appointed and if any Investor Director is absent from the United Kingdom The third sentence of regulation 88 shall not apply
- 19 4 Upon written request by an Investor the Company shall procure that the Investor Director is forthwith appointed as a director of any other member of the Group to any committee of the Board or the board of any member of the Group
- 19 5 Regulation 81(e) shall not apply to the Investor Director or the Chairman
- 19 6 The Investors each have the right to nominate an observer to attend all meetings of the Board and the Company (the **Observer**) The Observer shall have the right to attend and speak but not vote at such meetings

## 20 **NUMBER OF DIRECTORS**

The number of Directors (other than alternate directors) shall be no more than five and not less than two in number, and regulation 64 of Table A shall be modified accordingly

## 21 **ALTERNATE DIRECTORS**

- 21 1 The appointment by any Investor Director of an alternate director shall not be subject to approval by a resolution of the Board and regulation 65 of Table A shall be modified accordingly An alternate director shall cease to be an alternate director

- (i) if his appointer ceases to be a Director, or
- (ii) if his appointer revokes his appointment pursuant to Regulation 68 of Table A, or
- (iii) on the happening of any event which, if he were a Director, would cause him to vacate his office as Director, or



(iv) if he resigns his office by notice to the Company,

and regulation 67 of Table A shall be amended accordingly.

21 2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct, and the first sentence of regulation 66 of Table A shall be modified accordingly

21 3 A Director, or any such other person as is mentioned in regulation 65 of Table A, as modified by **Article 21.1** may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for the purpose of determining whether a quorum is present at (and during) any such meeting

## 22 PROCEEDINGS OF DIRECTORS

22 1 The quorum for meetings of the Board shall be not less than three Directors which must include each Investor Director (where appointed) Where for any reason the quorum for the meeting of the Board is not obtained because of the non attendance of any Investor Director, the meeting of the Board shall be reconvened on reasonable notice and the quorum for the reconvened meeting may be less than three Directors but must include one Investor Director (where appointed) In a case of an equality of votes at any such Board meeting, the Chairman shall not be entitled to a casting vote.

22 2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting For the avoidance of doubt, such a meeting shall be deemed to take place where it is convened to be held or (if no Director is present in that place) where the largest group of those participating is assembled, or if there is no such group, where the Chairman is

22 3 Except with the prior written consent of the Investors, a Director shall not vote on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever, save in respect of the matters specified in paragraphs (a) to (d) (inclusive) of regulation 94 of Table A which shall be modified accordingly

22 4 Regulation 98 shall not apply to the Company

## 23 THE SEAL

23 1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by a Director and by the secretary or a second Director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal

23 2 The Company may exercise the powers conferred by section 49 of the Companies Act 2006 with regard to having an official seal for use abroad, and such powers shall be vested in the Board

## 24 INDEMNITY

24 1 Subject to the provisions of the Acts, every Director or other officer of the Company (other than the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. This **Article 24** shall only have effect in so far as its provisions are not avoided by section 232 of the Companies Act 2006. The Board shall have power to purchase and maintain for any Director or other officer of the Company and the Auditors insurance against any liability which, by virtue of any rule of law, would otherwise 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

25      **BORROWING POWERS**

Subject to prior written consent of the Investors, the Board 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, subject to the provisions of the Acts, 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

26      **LIEN**

The lien conferred by regulation 8 of Table A shall attach to all Shares, whether or not fully paid up and to all Shares registered in the name of any person indebted or under liability to the Company (whether he shall be the sole registered holder of such share(s) or shall be one of two or more joint holders)