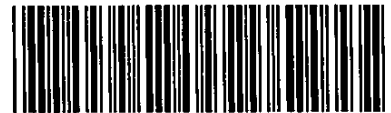


THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

TUESDAY



RM 04/09/2012 #66
COMPANIES HOUSE

ARTICLES OF ASSOCIATION
OF
LAND ENERGY LIMITED

(Company Number 06456127)

(proposed to be renamed **ABACUS WOOD LIMITED**)

Adopted by written resolution dated 21 December 2012

and amended by written resolution dated 6 July 2012



No 1 Colmore Square, Birmingham, B4 6AA
T 44(0)800 763 1000 F 44(0)800 763 2001 DX 721090 Birmingham 43
Also At One America Square, Crosswall, London, EC3N 2SG
DX 700 London City
www.sghmartineau.com Email lawyers@sghmartineau.com

TABLE OF CONTENTS

| | | |
|----|--|----|
| 1 | INTRODUCTION | 3 |
| 2 | DEFINITIONS | 3 |
| 3 | SHARE CAPITAL | 10 |
| 4 | SHARE RIGHTS | 10 |
| 5 | ISSUE OF NEW SHARES | 15 |
| 6 | VARIATION OF CLASS RIGHTS | 16 |
| 7 | REGISTRATION OF TRANSFERS | 18 |
| 9 | PRE-EMPTION RIGHTS | 20 |
| 10 | MANDATORY TRANSFERS | 23 |
| 11 | EVIDENCE OF COMPLIANCE | 23 |
| 12 | EVIDENCE OF AUTHORISATION | 23 |
| 13 | TAG ALONG | 24 |
| 14 | DRAG ALONG | 25 |
| 15 | WRITTEN RESOLUTIONS | 28 |
| 16 | GENERAL MEETINGS | 28 |
| 17 | DIRECTORS AND THEIR POWERS | 29 |
| 18 | ALTERNATE DIRECTORS | 29 |
| 19 | APPOINTMENT AND RETIREMENT OF DIRECTORS | 30 |
| 20 | PROCEEDINGS OF THE DIRECTORS | 31 |
| 21 | THE INVESTOR DIRECTOR | 33 |
| 22 | PARTLY PAID UP SHARES, LIENS, CALLS AND FORFEITURE | 34 |
| 23 | MISCELLANEOUS | 35 |
| 24 | NOTICES | 36 |
| 25 | INDEMNITY & INSURANCE | 36 |

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
LAND ENERGY LIMITED

(registered number: 06456127)

(proposed to be renamed **ABACUS WOOD LIMITED**)
("the Company")

Adopted by written resolution dated 21 December 2012

1 INTRODUCTION

1 1 The model articles of association for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these Articles ("**the Model Articles**") shall apply to the Company save in so far as they are excluded or modified by these Articles

1 2 Notwithstanding that the Company is a private company, certain articles contained in the model articles of association for public companies contained in Schedule 3 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended at the date of adoption of these articles ("**the Model PLC Articles**") shall apply to the Company, but only where expressly incorporated into these Articles

1 3 None of the provisions contained in the Company's memorandum of association prior to 1 October 2009 which are to be treated as part of its articles of association by virtue of Section 28 of the Act shall apply to the Company or form part of these Articles

2 DEFINITIONS

2 1 Without prejudice to any other definitions contained elsewhere in these Articles, the following words and expressions shall in these articles have the meanings set out or referred to opposite each respectively (unless the context otherwise requires)

"**Acceptance Period**" the period during which an offer made under Article 9 7 is open for acceptance,

"**the Act**" the Companies Act 2006,

"**appointor**" has the meaning given in Article 18 1,

| | |
|------------------------------------|--|
| ““A” Ordinary Shareholders” | the holders for the time being of “A” Ordinary Shares, |
| ““A” Ordinary Shares” | the “A” ordinary shares of £0 01 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles, |
| “Auditors” | the auditors for the time being of the Company, |
| “Articles” | these articles of association, |
| “Beneficial Owner” | as defined in Article 8 2 5, |
| ““B” Ordinary Shares” | the “B” ordinary shares of £0 01 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles, |
| “business day” | means a day (other than a Saturday, Sunday or a public holiday) when clearing banks in the City of London are open for the transaction of normal banking business, |
| “the Called Shareholders” | as defined in Article 14 1, |
| “clear days” | in relation to a period of a notice means that period excluding the day on which the notice is given or deemed to be given and the day for which it is given or on which it is to take effect, |
| “company” | includes any body corporate, |
| “Conflict Situation” | a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company, including in relation to the exploitation of any property, information or opportunity and regardless of whether the Company could take advantage of the property, information or opportunity itself, |
| “Connected” | as defined by Section 993 of the Tax Act, provided however that any determination of fact as to whether two or more persons are acting together shall, in the absence of any ruling by HM Revenue & Customs, be made by the tax advisers appointed by the Investors acting as experts and not as arbitrators and whose certificate or certificates from time to time shall be final and binding on the Company and all shareholders, |
| ““C” Ordinary Shareholders” | the holders for the time being of “C” Ordinary Shares, |
| ““C” Ordinary Shares” | the “C” ordinary shares of £0 01 each in the capital of the Company and having the rights ascribed |

| | |
|---|--|
| | thereto as set out in these Articles, |
| "a Counter Notice" | as defined in Article 14 5, |
| "the Directors" | the directors for the time being of the Company or (as the context shall require) any of them (each a "Director") acting as the board of directors of the Company, |
| "Distribution" | has the meaning given in the Distribution Agreement, |
| "Distribution Agreement" | means an agreement proposed to be entered into by the Company (1), John Westmacott and others (2) and Land Energy Topco Limited following the adoption of these articles, |
| "D" Ordinary Shareholders" | the holders for the time being of "D" Ordinary Shares, |
| "D" Ordinary Shares" | the "D" ordinary shares of £0 01 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles, |
| "the Drag Along Price" | as defined in Article 14 1, |
| "the Drag Along Right" | as defined in Article 14 1, |
| "EIS Investors" | the individual investors in the Foresight Sustainable UK Investment Fund (an unapproved EIS Fund established pursuant to an information memorandum issued by Foresight Group LLP), |
| "Eligible Director" | means a Director who would be entitled to vote on the matter concerned at a meeting of the Directors, but excluding any Director whose vote is not to be counted in respect of the matter concerned, |
| "Equity Shares" | Ordinary Shares, "A" Ordinary Shares, "B" Ordinary Shares and "C" Ordinary Shares, |
| "Equity Shareholders" | the holders for the time being of issued Equity Shares, |
| "equity share capital", "subsidiary" and "holding company" | shall have the meanings set out in Sections 548 and 1159 of the Act, |
| "Excluded Person" | (a) any Member (or other person entitled to a share in the manner set out in Article 10 1) whom the Directors are entitled under Article 8 5, Article 10 1 or Article 12 (<i>Evidence of Authorisation</i>) to require to give a Transfer Notice (but only throughout such time as the Directors |

are entitled to require him to give a Transfer Notice),

- (b) any Member or other person who has been required to give a Transfer Notice under Article 8 5, Article 10 1 or Article 12 (*Evidence of Authorisation*) (whether or not that requirement has been complied with),

"F1"

Foresight VCT plc, a company registered in England and Wales under number 03421340, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU,

"F2"

Foresight 2 VCT plc, a company registered in England and Wales under number 05200494, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU,

"F3"

Foresight 3 VCT plc, a company registered in England and Wales under number 03121772, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU,

"F4"

Foresight 4 VCT plc, a company registered in England and Wales under number 03506579, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU,

"Family Member"

in relation to any person or deceased person, such person's spouse or civil partner and parents and every child and remoter descendant of such person (including stepchildren and adopted children),

"Family Trusts"

in relation to any person or deceased person means trusts under which no immediate beneficial interest in any of the Equity Shares in question is for the time being vested in any person other than that person and/or a Family Member of that person For these purposes a person shall be deemed to be beneficially interested in an Equity Share if that share or the income derived from it is or may become liable to be transferred or paid or applied or appointed to or for the benefit of that person,

"Interest Rate"

in respect of all those "C" Ordinary Shares issued

- (a) on or at any time before 12 October 2009, the rate of 9% per annum,
- (b) on or at any time after 2 August 2010, the rate of 12% per annum,

| | |
|-------------------------------------|---|
| "Investor Affiliate" | the fund manager or advisor to any Investor or to any fund in which any Investor participates or an employee, member or partner of the fund manager or adviser to any Investor or to any such fund, |
| "Investor Director" | a person appointed as a Director pursuant to Article 21 1, |
| "Investor Majority" | persons together holding at least 50% of the "A" Ordinary Shares for the time being in issue as if the same constituted a single class of shares, |
| "the Investors" | together the VCT Investors and the EIS Investors, |
| "Issue Price" | the aggregate amount paid up (or credited as paid up) in respect of the nominal value thereof and any share premium thereon, |
| "Listed" or "Listing" | <p>(a) the admission of all or any of the shares in the capital of the Company (or any part thereof) to the Official List of the UK Listing Authority and the admission of all or any of such shares to trading on the main market of the London Stock Exchange plc, or</p> <p>(b) the same being admitted to trading on the Alternative Investment Market, or</p> <p>(c) the same being admitted to trading on any recognised investment exchange as defined by Section 285 of the Financial Services and Markets Act 2000, or</p> <p>(d) the same being admitted to trading on the New York or American Stock Exchange or the NASDAQ National market in the United States of America, or</p> <p>(e) the same being admitted to trading on the Neuer Markt, or</p> <p>(f) the same being admitted to trading on such other stock exchange as the investors may agree with the Board,</p> |
| "Member" | a holder of Equity Shares, |
| "a Member of the same Group" | as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company, |
| "Model Articles" | has the meaning given in Article 1 1, |

| | |
|--------------------------------|--|
| "Model PLC Articles" | has the meaning given in Article 1 2, |
| "Observer" | a person appointed as an observer to the Board pursuant to Article 21 5, |
| "Offer" | either <ul style="list-style-type: none"> (a) an offer to purchase all the Equity Shares other than those already held by the offeror and/or any persons acting in concert with him (as defined in the City Code on Take-overs and Mergers), or (b) the entering into of one or more agreements which will result in any persons who are acting in concert (as defined above) acquiring all the Equity Shares, which agreements are unconditional or subject only to conditions in the sole control of any or all of the persons who are acting in concert, (c) in each case being an offer or agreement which is approved in writing by the Investor Director or, if none has been appointed an Investor Majority as being an offer or an agreement to which Articles 13 (<i>Tag Along</i>) and 14 (<i>Drag Along</i>) do not apply, |
| "the Offeror" | as defined in Article 14 1, |
| "Ordinary Shareholders" | the holders for the time being of Ordinary Shares, |
| "Ordinary Shares" | the ordinary shares of £0 01 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles, |
| "the Prescribed Price" | the price per Sale Share agreed or determined pursuant to Article 9 4 or determined pursuant to Article 9 5, |
| "Prestegne" | Land Energy Prestegne Limited, a company registered in England and Wales under number 07044056, whose registered office is at 54 Hatton Garden, London, England EC1N 8HN, |
| "Prestegne Assets" | <ul style="list-style-type: none"> (a) the Company's interests in the entire share capital of Prestegne for the time being, (b) all assets (subject to all liabilities) of Prestegne for the time being, and (c) all assets (subject to all liabilities) of any |

| | |
|-----------------------------------|---|
| | wholly-owned subsidiary of Presteigne for the time being, |
| "Proposing Transferee" | as defined in Article 13 1, |
| "Proposing Transferor" | a Member proposing to transfer or dispose of Equity Shares or any interest therein, |
| "Purchaser" | a Member willing to purchase Equity Shares comprised in a Transfer Notice, |
| "the Relevant Transaction" | as defined in Article 13 1, |
| "Sale" | completion of the transaction(s) by which an Offer has arisen, |
| "the Sale Shares" | all Equity Shares comprised in a Transfer Notice, |
| "Tax Act" | the Income Tax Act 2007, as amended, |
| "Transfer Notice" | a written notice served by a Member on the Company, in accordance with Article 9 (<i>Pre-Emption Rights</i>) or deemed to have been served pursuant to Articles 10 (<i>Mandatory Transfers</i>) or 11 (<i>Evidence of Compliance</i>), |
| "Transferee Company" | a company for the time being holding shares in consequence of a transfer or series of transfers of shares between Members of the same Group (the relevant Transferor Company in the case of a series of transfers being the first transferor in that series), |
| "Transferor Company" | a company (other than a company which is also a Transferee Company in respect of the same shares) which has transferred shares to a Member of the same Group, |
| "Turquoise Option" | options granted to the Turquoise International Limited prior to the date of adoption of these articles, |
| "the VCT Investors" | together F1, F2, F3 and F4, |
| "VCT Investors' Loans" | any loans advanced to the Company by any one of the VCT Investors, and a "VCT Investor's Loan" shall mean any of the VCT Investors' Loans, so made, |
| "VCT Legislation" | Section 416 of the Income and Corporation Tax Act 1988 and Part 5 and Part 6 of the Tax Act, and |
| "the Vendors" | as defined in Article 14 1 |

- 2 2 Any reference in these Articles to any provision of any statute or to any other legislative provision shall be deemed to include a reference to any statutory or other legislative modification or re-enactment of that provision from time to time in force
- 2 3 In these Articles, where the context so permits, words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter and vice versa, and words importing persons shall include bodies corporate, unincorporated associations and partnerships
- 2 4 The headings to each of the Articles are inserted for ease of reference only and shall not affect the construction or interpretation of these Articles
- 2 5 A reference in these articles to an “**Article**” followed by a particular number is a reference to the relevant article of these Articles bearing that number A reference in these articles to a “**Model Article**” followed by a particular number is a reference to the relevant article of the Model Articles bearing that number A reference in these articles to a “**Model PLC Article**” followed by a particular number is a reference to the relevant article of the Model PLC Articles bearing that number
- 2 6 Where provisions of the Model PLC Articles are expressly incorporated into these articles, words and expressions ascribed a particular meaning by the Model PLC Articles shall have the same meanings in these articles
- 2 7 Any phrase introduced by the terms “**including**”, “**include**”, “**in particular**” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

3 **SHARE CAPITAL**

- 3 1 The share capital of the Company at the date of adoption of these Articles comprises Ordinary Shares, “A” Ordinary Shares, “B” Ordinary Shares, “C” Ordinary Shares and “D” Ordinary Shares
- 3 2 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares of those respective classes created and/or issued after the date of adoption of these Articles

4 **SHARE RIGHTS**

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

4 1 **Presteigne Assets**

- 4 1 1 For so long as this Article 4 1 remains part of these Articles, Articles 4 2 (*Income*), 4 3 (*Capital*), 4 4 (*Voting*), 4 5 (*Listing*), 4 6 (“D” Ordinary Shares) shall at all times be expressly subject to this Article 4 1 and in the event of any conflict between such Articles and this Article 4 1, the provisions of this Article 4 1 shall prevail
- 4 1 2 The “D” Shareholders shall be solely entitled to all income and profits of the Company deriving from the Presteigne Assets and, in the event that the Company distributes any Presteigne Assets in specie (including pursuant to the Distribution) the “D” Shareholders shall be solely entitled to receive such Presteigne Assets as are so distributed The Ordinary Shares, “A” Ordinary Shares and “C” Ordinary Shares shall not entitle the holders thereof to participate in any distribution of any income and profits of the Company deriving from the Presteigne Assets

- 4 1 3 Any distribution made pursuant to Article 4 1 2 shall be apportioned between the "D" Shareholders pro-rata to the amount paid up on such "D" Ordinary Shares held by them
- 4 1 4 The "D" Ordinary Shares shall not entitle the holders thereof to receive any dividend or distribution not deriving from the Presteigne Assets or of any assets other than the Presteigne Assets
- 4 1 5 The Distribution shall not require any approval of the Members and may be made notwithstanding that any amounts of capital and interest on the VCT Investors' Loans remain outstanding and/or there are any "C" Ordinary Shares in issue
- 4 1 6 On a return of assets on a liquidation or capital reduction or similar, the Presteigne Assets shall be distributed amongst the "D" Shareholders shares in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the "D" Ordinary Shares held by them respectively and the Ordinary Shares, "A" Ordinary Shares and "C" Ordinary Shares shall not entitle the holders thereof to participate in any distribution of Presteigne Assets on a liquidation or capital reduction or similar
- 4 1 7 The "D" Ordinary Shares shall not entitle the holders thereof to receive any assets on a liquidation or capital reduction or similar other than the Presteigne Assets
- 4 1 8 Immediately following completion of the Distribution, these Articles shall be automatically amended so as to delete
- 4 1 8 1 this Article 4 1 in its entirety,
- 4 1 9 each of the following defined terms in Article 2 (*Definitions*) "Presteigne", "Presteigne Assets", "Distribution" and "Distribution Agreement"
- 4 2 **Income**
- 4 2 1 The distribution of any profits of the Company shall require
- 4 2 1 1 if any "C" Ordinary Shares are in issue, the prior approval of the holders of three fourths of the "C" Ordinary Shares in issue from time to time, and
- 4 2 1 2 the prior approval of the Members by special resolution
- 4 2 2 The profits of the Company which the Company may so resolve to distribute shall be distributed amongst the holders of Equity Shares *pari passu* as if the Equity Shares constituted one class of shares in proportion to the nominal value only on the Equity Shares held by them respectively provided however that the nominal value for these purposes of the "C" Ordinary Shares shall be deemed to be £0 00001 per share
- 4 2 3 The "D" Ordinary Shares shall not entitle the holders thereof to receive any dividend or distribution
- 4 2 4 No dividend shall be payable (unless the Investor Director consents in writing or, if none has been appointed, is appointed an Investor Majority consents in writing) (such consent not to be unreasonably withheld or delayed) on the Equity Shares if on the proposed payment date any amounts of capital and interest on the VCT Investors' Loans remain outstanding or there are any "C" Ordinary Shares in issue

4 2 5 Notwithstanding the foregoing and the provisions of Article 4 5 (*Listing*), but without prejudice to the provisions of Article 4 5 (*Listing*) in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled to receive, if the whole of the income of the Company were in fact distributed among its participators (without regard to any rights which any holder has as a loan creditor or by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares), more than 50% of the amount so distributed. For these purposes the expressions "participator" and "loan creditor" shall bear the meanings respectively given to them by section 253 of the Tax Act and the expression "relevant fixed rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act

4 3 **Capital**

4 3 1 On a return of assets on a liquidation or capital reduction or similar

4 3 1 1 the "D" Ordinary Shares shall confer on the holders a preferential right to be paid out of the assets of the Company available for distribution an amount equal to 1p in aggregate for all of the Deferred Shares prior to the surplus being distributed to the holders of Equity Shares, but do not confer any right to participate in any surplus assets of the Company, and

4 3 1 2 the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of Equity Shares as if the same constituted one class of shares in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Equity Shares held by them respectively

4 3 2 The proceeds of any Sale shall be distributed as follows

4 3 2 1 first, applied in paying to each holder of "C" Ordinary Shares an amount equal to the aggregate Issue Price of such "C" Ordinary Shares held by him plus an amount equal to interest on such aggregate Issue Price at the relevant Interest Rate from the date of issue to the date of application of this Article 4 3 2 1 (and, if the assets are insufficient to make such payments in full, then the assets shall be distributed amongst the holders of "C" Ordinary Shares in the proportion which the amount due to each of them under this Article 4 3 2 1 bears to the aggregate amount due to all holders of "C" Ordinary Shares under this Article 4 3 2 1),

4 3 2 2 second, applied in paying to each holder of "A" Ordinary Shares, the greater of

(a) an amount equal to X, where $X = F \times A/B$

and

"F" = the balance of the assets available for distribution,

"A" = the aggregate number of issued "A" Ordinary Shares held by the relevant holder of "A" Ordinary Shares,

"B" = the aggregate number of issued Equity Shares (other than "C" Ordinary Shares),

(b) an amount equal to

- (i) the sum of all amounts invested by the relevant holder of "A" Ordinary Shares (whether by way of subscription of Equity Shares and an advancement of a VCT Investor's Loan) compounded at an annual rate of 20% ("IRR") from the date 6 months after the relevant subscriptions of shares and/or, as the case may be, advancements (save that if the Company proposes a resolution to repurchase a "C" Ordinary Share after the third anniversary of the issue of that "C" Ordinary Share and any Investor (or their duly appointed representative) votes against such resolution or the Investor Director has withheld consent to such repurchase under the Investment Agreement, the IRR will only apply from the date falling 6 months after the date of issue of such "C" Ordinary Share to the date on which the repurchase of that "C" Ordinary Share would have been capable of being completed had the relevant holder (or duly appointed representative) of the "C" Ordinary Share not voted against such resolution or, as the case may be, had the Investor Director consented), less
- (ii) the sum of all amounts received by the relevant holder of "A" Ordinary Shares under (i) Article 4 3 2 1, (ii) repayments of amounts of principal of any VCT Investor's Loan advanced by him (iii) interest paid on any VCT Investor's Loans advanced by him, (iii) dividends paid on any Equity Share held by him and (iv) any amounts paid to him resulting from a purchase of own shares by the Company compounded to the same date at an annual rate of 20% from the date of the relevant receipt,

and, if the assets are insufficient to make such payments in full, then the assets shall be distributed amongst the holders of "A" Ordinary Shares in the proportion which the amount due to each of them under this Article 4 3 2 2(b) bears to the aggregate amount due to all holders of "A" Ordinary Shares under this Article 4 3 2 2(b)),

- 4 3 2 3 the balance of such assets shall be distributed amongst the holders of Ordinary Shares in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Ordinary Shares held by them respectively

For the avoidance of doubt, in the event of a Sale, this Article 4 3 2 shall apply notwithstanding anything to the contrary in the terms of such Sale (unless all the holders of the Equity Shares immediately prior to the Sale have agreed in writing to the contrary expressly for the purposes of this provision), whether in the agreements for Sale or otherwise

- 4 3 3 The "D" Ordinary Shares shall have no entitlement to the proceeds of a Sale

- 4 3 4 Notwithstanding any of the foregoing or the provisions of Article 4 5 (*Listing*), but without prejudice to the provisions of Article 4 5 (*Listing*) in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled (otherwise than by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares) on a return of assets on liquidation or capital reduction or otherwise (but, for the avoidance of doubt, not on a Sale) to receive more than 50% of the capital available

for payment to all members. For those purposes the expression "relevant fixed-rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act

4.4 Voting

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

4.4.1 on a show of hands every holder of Equity Shares (other than "C" Ordinary Shares) who (being an individual) is present in person or (being a corporation) is present by a representative shall have one vote,

4.4.2 on a poll every holder of Equity Shares (other than "C" Ordinary Shares) who is present in person or by a proxy or (being a corporation) by a representative shall have one vote for every Equity Share of which he is the holder,

4.4.3 notwithstanding the foregoing and the provisions of Article 4.5 (*Listing*), but without prejudice to the provisions of Article 4.5 (*Listing*) in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled to exercise more than 50% of the voting rights attaching to the equity share capital of the Company, and

4.4.4 the "D" Ordinary Shares shall not carry a vote, nor entitle the holders of them to receive notice of, to attend or to speak at any general meeting of the Company

4.5 Listing

4.5.1 Immediately prior to a Listing each holder of "A" Ordinary Shares shall be entitled to subscribe for such number of additional "A" Ordinary Shares ("**the New Shares**") in cash at par as would, in aggregate, when added to the "A" Ordinary Shares held by him, represent the same percentage of the issued equity share capital (as enlarged firstly by that number of "A" Ordinary Shares and secondly by all shares to be issued pursuant to the exercise of any options, warrants or other convertible rights and instruments prior to the Listing) as the percentage of the proceeds of Sale to which that holder would be entitled pursuant to Article 4.3.3 if the entire issued equity share capital of the Company were to be sold for a price equal to the valuation of the Company implied by the price at which dealings or trading (as appropriate) will commence on Listing as certified by the Company's stockbrokers or nominated advisers (as appropriate) acting as experts and not as arbitrators and whose certificate shall be final and binding

4.5.2 In order to comply with the VCT Legislation, the entitlement of the Investors to subscribe for additional Equity Shares pursuant to Article 4.5 (*Listing*) may not be exercised, while any holder of Equity Shares is a venture capital trust (within the meaning of Section 259 of the Tax Act) to the extent that the exercise of such right would result in any company (together with any person Connected with it) becoming the holder of more than 50% of the equity share capital of the Company or of the issued share capital of the Company for the time being

4.6 "D" Ordinary Shares

4.6.1 At any time(s) following the third anniversary of the date of adoption of these Articles the Company shall (subject to complying with the Act) be entitled to purchase any and/or all of those "D" Ordinary Shares in issue at the relevant time for an aggregate consideration of 1p (and for such purposes the Directors may authorise any person to

do all such things as may be necessary or desirable to effect such purchase including execute on behalf of and as agent for the "D" Ordinary Shareholders an appropriate contract and may deliver it or them on their behalf) and each "D" Ordinary Share so purchased and then unissued shall thereafter be redesignated as an Ordinary Share without any further resolution or consent

4 6 2 The Company shall not be entitled to purchase any "D" Ordinary Shares at any time on or prior to the third anniversary of the date of adoption of these Articles

4 6 3 The Company shall not be obliged to

4 6 3 1 issue share certificates in respect of the "D" Ordinary Shares,

4 6 3 2 give any prior notice to the "D" Ordinary Shareholders that such shares are to be purchased in accordance with Article 4 6 1, or

4 6 3 3 account to any "D" Ordinary Shareholder for the purchase monies in respect of such shares

4 6 4 The "D" Ordinary Shares may not be transferred other than with the consent of an Investor Majority

4 6 5 These Articles shall, following the purchase of all "D" Ordinary Shares and the redesignation of such "D" Ordinary Shares to Ordinary Shares in accordance with Article 4 6 1 be automatically amended to delete any references to such "D" Ordinary Shares

4 7 "B" Ordinary Shares

The "B" Ordinary Shares shall have identical rights to the Ordinary Shares, but shall comprise a separate and distinct class of share for the purposes of these Articles

5 ISSUE OF NEW SHARES

5 1 Subject to Article 5 3, any new shares from time to time proposed to be issued shall before they are issued to any third party be offered to the holders of Equity Shares (other than "C" Ordinary Shares) in proportion to the number of Equity Shares (other than "C" Ordinary Shares) held by them (and for the purposes of this Article 5 1 the Equity Shares (other than "C" Ordinary Shares) shall be treated as if they constituted one class of share)

5 2 The offer shall be made by notice in writing specifying the number and class of shares offered and the price per share (which shall be the same price per share whatever the class) and stating a time (not being less than thirty days or greater than forty-two days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person to whom the offer is made that he declines to accept the shares offered or any of them, the Directors shall offer the shares declined in like manner (save that the time within which the offer, if not accepted, will be deemed to be declined will be not less than three days or greater than five days) to the Equity Shareholders (other than "C" Ordinary Shareholders) who have agreed to subscribe for all the shares offered to them and shall repeat such offer until all of the shares have been issued or an offer is wholly declined. If the shares comprised in such further offers are declined or deemed to be declined the further offers shall be withdrawn

- 5 3 The provisions of Article 5 1 shall not apply to the issue of shares pursuant to Article 4 5 (*Listing*) or pursuant to the exercise of the Turquoise Option and may in any event be disapplied in relation to any class of shares by special resolution (subject to Article 6 3 9)
- 5 4 Subject to this Article 5 and to the provisions of Section 551 of the Act, the shares in the capital of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount and that
- 5 4 1 no shares to which Article 5 1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such shares made under Article 5 1 unless the procedure set out in Article 5 1 is repeated in respect of such shares (and so that the time limit set out in this Article 5 4 1 shall apply equally to any repetition of that procedure), and
- 5 4 2 no shares shall be issued at a price less than that at which they were offered to the Members in accordance with Article 5 1 and if the Directors are proposing to issue such shares wholly or partly for a non-cash consideration the cash equivalent of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors (or, if they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors) who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its members For the avoidance of doubt this Article 5 4 2 shall not apply to the issue of any shares under Article 4 4, pursuant to the Turquoise Option
- 5 5 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to the Company and are hereby excluded generally in relation to the allotment by the Company of equity securities (as defined in section 560(1) of the Act)
- 5 6 The Investors shall be entitled to offer any right (in whole or in part) under this Article 5 to subscribe for Equity Shares to any venture capital trust, venture capitalist, investment trust, investment company, limited partnership, EIS fund (approved or unapproved) or other such like entity advised or managed by the same investment adviser/manager to the relevant Investor
- 5 7 The Company shall not issue any "D" Ordinary Shares other than with the consent of an Investor Majority and the sanction of a special resolution passed at a meeting of the "D" Ordinary Shareholders
- 6 **VARIATION OF CLASS RIGHTS**
- 6 1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up.
- 6 1 1 in the case of the Ordinary Shareholders, with the consent in writing of the holders of at least three-fourths of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of the class, but not otherwise,

- 6 1 2 in the case of the "A" Ordinary Shareholders and the "C" Ordinary Shareholders with the consent in writing of an Investor Director or, if none has been appointed, an Investor Majority or with the sanction of a special resolution passed at a separate meeting of the holders of the relevant class, and
- 6 1 3 in the case of the "D" Ordinary Shareholders with the consent in writing of an Investor Director or, if none has been appointed, an Investor Majority and with the sanction of a special resolution passed at a separate meeting of the holders of the relevant class provided that no such variation shall be permitted if it would (i) entitle the Company (or any third party) to purchase any "D" Ordinary Shares at any time on or prior to the third anniversary of the date of adoption of these Articles, and/or (ii) result in the "D" Ordinary Shares being re-designated cancelled, redeemed, subdivided or consolidated, and/or (iii) enable the Company to issue any further "D" Ordinary Shares at any time on or prior to the third anniversary of the date of adoption of these Articles
- 6 2 To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply (*mutatis mutandis*) except that
- 6 2 1 the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum, and
- 6 2 2 the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively
- 6 3 Without prejudice to the generality of this Article, it is a term of issue of the "A" Ordinary Shares that the following events shall be deemed to be an attempted variation of the rights attaching to such shares and shall therefore require class consent in accordance with Article 6 1
- 6 3 1 any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of the Company,
- 6 3 2 any resolution to wind-up the Company or any subsidiary of the Company,
- 6 3 3 any increase in the issued capital of the Company, save for the issue of Shares pursuant to Article 4 5 (*Listing*) or the Turquoise Option,
- 6 3 4 any reduction or sub-division or consolidation of the authorised or issued share capital of the Company,
- 6 3 5 the grant by the Company of a right to subscribe for or to convert securities into shares in the capital of the Company, save for the Turquoise Option,
- 6 3 6 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company,
- 6 3 7 the redemption of any of the Company's shares or the entering into of a contract by the Company to purchase any of its shares,
- 6 3 8 any alteration of the Company's memorandum or articles of association,
- 6 3 9 the passing of any special resolution,

- 6 3 10 the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article 6 3 be a variation of such class rights,
- 6 3 11 re-registration as a public company,
- 6 3 12 the subscription for or other acquisition of shares in any company, the acquisition of all or substantially all of the assets of any other company or of any unincorporated business, the disposal of any share in any other company, the disposal of the Company's undertaking and assets or any substantial part thereof or the making of any capital investment in any partnership or the disposal of any such interest, or
- 6 3 13 any act or transaction committed or proposed to be committed by a Director within the terms of Article 20 6
- 6 4 A resolution to wind-up the Company will not be proposed, nor will the Company pay a capital dividend on any Equity Share (unless the Investor Director consents in writing or, if none has been appointed, an Investor Majority consents in writing) unless on the proposed payment date any amounts of capital and interest on the VCT Investors' Loans remain outstanding and/or any "C" Ordinary Share is in issue

7 **REGISTRATION OF TRANSFERS**

- 7 1 The Directors shall be required (subject only to Model Article 26 and Article 7 3) to register promptly any transfer of shares made in accordance with the provisions of these Articles, but shall not register any transfer of shares otherwise
- 7 2 The Directors shall not register any transfer of "D" Ordinary Shares transferred other than with the consent of an Investor Majority
- 7 3 The Directors may refuse to register a transfer of a share to a bankrupt, a minor or a person of unsound mind
- 7 4 Transfers of partly paid shares shall be signed by both the transferor and the transferee and Model Article 26(1) shall be amended by the insertion of the words "and (unless the shares to which the transfer relates are fully paid up) the transferee" at the end of that Model Article
- 7 5 Model Article 27(3) shall be amended by the insertion of the words "subject to Article 3 4" immediately after the word "But"
- 7.6 Model Article 29 shall be amended by the insertion of the words ", or the name of the person to whom the shares are to be transferred in accordance with Model Article 28," immediately after the words "given to the shareholder before the transmittee's name"

8 **PERMITTED TRANSFERS**

- 8 1 Subject to the provisions of Article 7 (*Registration of Transfers*), any Equity Shares may at any time be transferred by any Member pursuant to acceptance of any offer made to that Member under the requirements of Article 13 (*Tag Along*) or as contemplated by Article 14 (*Drag Along*)
- 8 2 Subject to the provisions of Article 7 (*Registration of Transfers*)

- 8 2 1 in the event of the death of any Member, any Equity Shares of which such Member is the holder at the time of his death may at any time following his death be transferred by his personal representative to trustees to be held on Family Trusts of such Member, or to a Family Member of such Member but the voting rights in respect of such shares shall be exercised by the Directors in proportion to the number of "A" Ordinary Shares and Ordinary Shares held by each of them bears to the aggregate number of "A" Ordinary Shares and Ordinary Shares held by all of them (and for these purposes the Investor Director shall be deemed to hold the "A" Ordinary Shares and Ordinary Shares held by the Investors,
- 8 2 2 any Member, being a company, may transfer any Equity Shares to a member of the same Group as such Member save that the transferee can only hold the Equity Shares for so long as it is a member of the same Group as the original Member and on the transferee ceasing to be a member of that Group the transferee will transfer the shares back to the original Member,
- 8 2 3 any Investor may transfer any Equity Shares to another party who or which is (i) a venture capital trust, venture capitalist, investment trust, investment company, limited partnership or such like entity, (ii) an Investor, (iii) an acquirer of an Investor or (iv) the fund manager/adviser to an Investor or an employee, member or partner of the fund manager/adviser to an Investor,
- 8 2 4 a transfer of any Equity Shares held by any Member that are transferred to the Investors pursuant to clause 13 of the Investment Agreement is permitted,
- 8 2 5 any Equity Shares held by a nominee for their beneficial owner ("**the Beneficial Owner**") may be transferred by the nominee to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only Any Equity Shares may be transferred by the Beneficial Owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only Where any person to whom any Equity Shares have been transferred as a nominee ceases to hold such Equity Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Equity Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Equity Shares
- 8 3 Where Equity Shares have been transferred to trustees under Article 8 2 1, on any change of trustees, the Relevant Shares (as defined below) may be transferred to the trustees for the time being of the trust concerned
- 8 4 Any "D" Ordinary Shares may be transferred to the Company in accordance with a purchase of such shares pursuant to article 4 6 1
- 8 5 In the event that
- 8 5 1 a Transferee Company holding Relevant Shares ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 8 2 2) the Relevant Shares were derived, or
- 8 5 2 any Relevant Shares held by trustees cease to be held on a Family Trust of the Member,

the Member holding the shares shall notify the Directors in writing that such an event has occurred and such Member shall be bound, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of the Relevant Shares (but without specifying a proposed Prescribed Price (so that the Prescribed Price shall be determined pursuant to Article 9 4 and Article 9 5) and so that the right of revocation conferred by Article 9 10 shall not apply)

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

9 PRE-EMPTION RIGHTS

- 9 1 The right to transfer Equity Shares or any interest therein shall (subject to and without prejudice to the provisions of Article 8 (*Permitted Transfers*)) be subject to the following restrictions
- 9 2 Before transferring or disposing of any Equity Shares (or any interest in Equity Shares) the Proposing Transferor shall serve a notice on the Company specifying the number and class of Equity Shares in question and the proposed price for such shares, and the Transfer Notice shall constitute the Company his agent for the sale of those Equity Shares at the Prescribed Price to any Member or Members. Except as provided in this Article, a Transfer Notice once given or deemed to be given shall not be revocable except with the consent of the Directors
- 9 3 A Transfer Notice may comprise Equity Shares of more than one class and shall, if the Proposing Transferor has received any offer to purchase Equity Shares (whether or not an offer capable of becoming legally binding upon acceptance) within the period of three months prior to service of the Transfer Notice, give the name of the offeror, the number and class of Equity Shares concerned and the price offered in respect of each such Equity Share. A Transfer Notice may not be given by an Excluded Person unless required by the Directors under Article 8 5, Article 10 1 or Article 12 (*Evidence of Authorisation*)
- 9 4 The Directors will endeavour to agree the Prescribed Price with the Proposing Transferor. If the Directors fail to agree the Prescribed Price with the Proposing Transferor within 14 days of receipt of the Transfer Notice by the Company or, as applicable, a Transfer Notice having been deemed to have been served, the Directors shall request the Auditors (or, if they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors or, in the event of disagreement, appointed on the application of the Proposing Transferor or of the Directors by the President of the Institute of Chartered Accountants in England and Wales and the provisions relating to Auditors in this Article 9 shall apply to such independent firm of chartered accountants) (acting as experts and not as arbitrators) to certify the Prescribed Price
- 9 5 The Auditors shall (acting as experts and not arbitrators) within 14 days of such a request certify to the Company the Prescribed Price, being the value of each Sale Share (or, where appropriate of each Sale Share of each class) calculated on the following basis

- 9 5 1 where a Sale Share is a "C" Ordinary Share the prescribed price in respect of that share shall be the Issue Price of such share plus an amount equal to interest on such aggregate Issue Price at the relevant Interest Rate from the date of issue to the date of Sale,
- 9 5 1 1 otherwise by determining the sum which a willing purchaser would offer to a willing vendor for all the issued Equity Shares (other than "C" Ordinary Shares),
- 9 5 1 2 by dividing the resultant figure between the classes of Equity Shares (other than "C" Ordinary Shares) by applying the provisions of Article 4 3 1 as if that sum were the proceeds of a Sale, and
- 9 5 1 3 by dividing the sum attributable to the Equity Shares of the relevant class by the number of Equity Shares of that class in issue
- 9 6 The Auditors' certificate as to the Prescribed Price shall be final and binding
- 9 7 Within 21 days following receipt of the Transfer Notice or (where relevant) the date on which the Transfer Notice is deemed to have been given or where the Prescribed Price is certified by the Auditors the date of certification of the Prescribed Price, the Company shall offer the Sale Shares to each Member (other than the Proposing Transferor and any Excluded Person) in accordance with the provisions of Articles 9 8 and 9 9 for purchase at the Prescribed Price All offers shall be made by notice in writing and state a time (being between 30 and 42 days inclusive following the date of such notice) within which the offer must be accepted or, in default, will be deemed to have been declined A copy of such offer shall at the same time be sent by the Company to the Proposing Transferor
- 9 8 The Company shall offer the Sale Shares to the holders of Equity Shares in proportion to the number of Equity Shares held by them (and for the purposes of this Article the Equity Shares shall be treated as if they constituted one class of share)
- 9 9 The Sale Shares shall be offered on the following basis
- 9 9 1 any Member to whom the Sale Shares are offered may accept all or some only of the Sale Shares offered to him, and shall be invited to indicate whether, if he accepts all such Sale Shares, he wishes to purchase any Sale Shares which other Members decline to accept ("**Excess Shares**") and, if so, the maximum number of Excess Shares which he wishes to purchase,
- 9 9 2 any Excess Shares shall be allocated between the Members who have indicated that they wish to purchase Excess Shares pro rata to the proportion of the total number of Equity Shares (other than "C" Ordinary Shares) held by those Members but so that no Member shall be required or entitled to receive more than the maximum number indicated by him pursuant to Article 9 9 1,
- 9 9 3 subject to the provisions of this Article and Article 9 8, the Purchasers shall be bound to purchase the Sale Shares properly allocated to them under the provisions of this Article 9 9 at the Prescribed Price
- 9 10 Not later than 7 days following the expiration of the Acceptance Period the Company shall give written notice to the Proposing Transferor stating
- 9 10 1 if it is the case, that no Member has sought to purchase any of the Sale Shares, or, otherwise

- 9 10 2 the number of Sale Shares which Members have sought to purchase, giving the name and address of each Purchaser and the number of Sale Shares to be purchased by him
- 9 11 If within the Acceptance Period, Purchasers have been found for some only of the Sale Shares or if no Purchaser has been found for any of the Sale Shares, the Proposing Transferor may within 7 days of service on him of notice under this Article revoke his Transfer Notice by written notice to the Company
- 9 12 If the Proposing Transferor is given notice under Article 9 10 2 (and subject to his not revoking his Transfer Notice in accordance with Article 9 10) he shall be bound on payment of the Prescribed Price to transfer the Sale Shares in question to the respective Purchasers. The sales and purchases shall be completed at the registered office of the Company during normal business hours on the first business day after the expiry of 14 days following the date of service of notice by the Company under Article 9 10
- 9 13 If a Proposing Transferor fails to transfer any Sale Shares to a Purchaser after becoming bound to do so, the Directors may authorise any person to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and shall register the Purchaser as the holder of the relevant Sale Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser and the Company shall thereafter hold the purchase money on trust for the Proposing Transferor. After the name of the Purchaser has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person
- 9 14 If the Company fails before the end of the Acceptance Period to find a Purchaser or Purchasers for any of the Sale Shares, the Proposing Transferor may (subject to Articles 7 and 9 16) sell all or any of the Sale Shares to any third party/parties
- 9 15 If before the end of the Acceptance Period the Company finds a Purchaser or Purchasers for some (but not all) of the Sale Shares and serves notice accordingly under Article 9 10 the Proposing Transferor may (subject to Articles 7 (*Registration of Transfers*) and 9 16) sell all or any of the Sale Shares for which no Purchaser has been found to any third party/parties unless he revokes his Transfer Notice pursuant to Article 9 10 in which case he may sell all (but not some only) of the Sale Shares to any third party/parties
- 9 16 The right of the Proposing Transferor to sell Sale Shares pursuant to Article 9 14 or Article 9 15 shall be subject to the following restrictions
- 9 16 1 Sale Shares may not be sold after the expiry of three months after the date on which notice is given by the Company under Article 9 10,
- 9 16 2 Sale Shares must be sold on a bona fide sale at a price not less than the Prescribed Price and without any deduction, rebate or allowance whatsoever to the Purchaser,
- 9 16 3 the provisions of Article 13 (*Evidence of Authorisation*) (if applicable), and
- 9 16 4 no Equity Shares may be transferred, or disposed of, pursuant to this Article 9 16 by any person who is an Excluded Person unless the Directors resolve to approve such transfer or disposal

- 9 17 The costs of the Auditors shall be borne as the Auditors may direct
- 9 18 The restrictions imposed by this Article 9 may be waived in relation to any proposed transfer of Equity Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with Article 9 9
- 9 19 For the purposes of Article 9 16 2 and calculating whether or not a price to be paid for the Sale Shares is more or less than the Prescribed Price, then the cash value of any non-cash consideration shall be that agreed between the Proposing Transferor and the Company, or if the Proposing Transferor and the Company fail to agree such cash value within 15 business days following the earlier of any request by the Proposing Transferor to so value any non-cash consideration and the submission to the Company of the relevant stock transfer form(s) relating to a transfer of the Sale Shares for non-cash consideration, the cash value shall be the amount certified as such as at the date of the earlier of the request for valuation and the purported transfer of the Sale Shares at the request of the Directors, by the Auditors (acting as experts and not arbitrators) Their certificate shall be final and binding
- 9 20 The Investors shall be entitled to offer any right (whether in whole or part) under this Article 9 to purchase Equity Shares to any venture capital trust, venture capitalist, investment trust, investment company, limited partnership, EIS Fund (approved or unapproved) or other such like entity advised or managed by the same investment manager/adviser to be relevant Investor

10 **MANDATORY TRANSFERS**

- 10 1 A person entitled to a share in consequence of the bankruptcy, receivership or liquidation of a Member shall be bound, if required in writing to do so by the Directors to give a Transfer Notice in respect of all the shares then registered in the name of the Member in bankruptcy, receivership, or liquidation, within 2 weeks of receipt of the relevant request
- 10 2 A Director shall become entitled to give a Transfer Notice in respect of all the shares then registered in the name of the Member in bankruptcy

11 **EVIDENCE OF COMPLIANCE**

In any case where the Directors may require a Transfer Notice to be given and it is not duly given within a period of two weeks of notice being given requiring the Transfer Notice to be given, a Transfer Notice in respect of the Equity Shares in question shall be deemed to have been given at the expiration of that period Any Transfer Notice deemed to have been given or required to be given under any provision of these Articles shall not be capable of revocation and (notwithstanding any of the provisions of these Articles) shall extend not just to the shares registered in the name of the Member concerned but to any person Connected to him and/or to whom he has directly or indirectly transferred shares pursuant to Article 8 (*Permitted Transfers*)

12 **EVIDENCE OF AUTHORISATION**

For the purpose of ensuring that a transfer of shares is duly authorised under these Articles or that no circumstances have arisen requiring a Transfer Notice to be given, the Directors may require any Member or the personal representatives or trustee in

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

13 TAG ALONG

- 13 1 Notwithstanding the provisions of Article 9 (*Pre-Emption Rights*), no sale or transfer of the legal or beneficial interest in any Equity Shares (other than "C" Ordinary Shares) ("**the Relevant Transaction**") may be made or validly registered if as a result of such sale or transfer a Relevant Interest is obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the Proposing Transferor shall have procured (and to the extent that it is accepted, completes) a written offer complying with the provisions of Article 13 3 to have been made by the proposed transferee (or any person or persons acting in concert with it) ("**the Proposing Transferee**") to the holders of all the other issued Equity Shares to acquire their entire holding of Equity Shares together (in the case of the Investors) with any additional shares which they are entitled to subscribe pursuant to Article 4 5 (*Listing*) and the provisions of Article 9 (*Pre-Emption Rights*), shall not apply.
- 13 2 For the purpose of this Article 13
- 13 2 1 the expression "a Relevant Interest" shall mean an interest in 50% or more of the Equity Shares (other than "C" Ordinary Shares) in issue for the time being,
- 13 2 2 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment, and
- 13 2 3 the expression "acting in concert" shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time)
- 13 3 The offer referred to in Article 13 1 above shall be on terms that
- 13 3 1 it will be open for acceptance in England and Wales for a period of at least 28 days following the making of the offer,
- 13 3 2 each holder of Member to whom it is made shall be entitled to receive for each of the shares held by him a sum per share equal to the Specified Price,
- 13 3 3 the purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction,
- 13 3 4 and otherwise on the same terms for all members (and for this purpose any offer which provides for any warranties or indemnities (other than warranties as to title

- and capacity) or restrictive covenants from some, but not all, Members shall be deemed to comply with this Article 13 3)
- 13 4 In the case of an offer made to a VCT Investor, that offer must also provide for the immediate repayment of that VCT Investor's Loan in full with any interest thereon
- 13 5 The expression "**the Specified Price**" shall mean
- 13 5 1 in the case of "C" Ordinary Shares a price per "C" Ordinary Share equal to the Issue Price thereof plus an amount equal to interest on such Issue Price at the relevant Interest Rate from the date of issue to the date of Sale,
- 13 5 2 in the case of "D" Ordinary Shares a price of 1 pence for all "D" Ordinary Shares equal held by a Member,
- 13 5 3 otherwise a price per share which shall be determined by valuing the entire issued share capital of the Company ("**the Sale Value**") by reference to the aggregate of
- 13 5 3 1 the amount offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for each of the Equity Shares (other than "C" Ordinary Shares) comprised in the Relevant Interest to the holder or holders thereof or, if higher, the highest amount paid or payable for an Equity Share (other than a "C" Ordinary Share) in any related or previous transaction within the 12 months preceding the offer by the same purchaser or any person acting in concert with the Proposing Transferee, and
- 13 5 3 2 an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Equity Shares (other than "C" Ordinary Shares) comprised in the Relevant Interest which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Relevant Interest (and, for the avoidance of doubt and without prejudice to the generality of the foregoing, any additional consideration which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable for the Relevant Interest) and allocating the resultant figure between the holders of Equity Shares by applying the provisions of Article 4 3 2 as if that sum were the proceeds of a Sale
- 13 6 Any disagreement as to the calculation of the Specified Price which each Member is entitled to receive in respect of each share held by him for the purposes of this Article shall be referred to the Auditors (or, if a Member objects or they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors or, in the event of disagreement, appointed on the application of the Proposing Transferor or of the Directors by the President of the Institute of Chartered Accountants in England and Wales and the provisions relating to Auditors in this Article 13 shall apply to such independent firm of chartered accountants) (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of manifest error) and the costs of the Auditors shall be borne by the Company
- 14 **DRAG ALONG**
- 14 1 If

14 1 1 one or more members of the Company holding between them not less than 70% of the Equity Shares (other than "C" Ordinary Shares) for the time being in issue, or

14 1 2 no Sale or Listing of the Company has taken place by 20 March 2013 and the Investors (acting by an Investor Majority)

("the Vendors") propose to sell the legal or beneficial interest in their entire holdings of Equity Shares to a person with whom none of them is Connected or one or more such persons acting in concert ("the Offeror") then the Vendors shall have the right to require the holders of all other issued shares in the capital of the Company ("the Called Shareholders") to sell and transfer their entire holdings of such shares together (in the case of the Investors) with any additional shares for which they are entitled to subscribe pursuant to Article 4 5 (*Listing*) to the Offeror (or as the Offeror shall direct) in accordance with this Article 14 ("the Drag Along Right") at a price ("the Drag Along Price") to be determined on the basis set out in Article 13 5 and otherwise on the terms specified in Articles 13 3 3 and 13 3 4 (as if the Vendors' proposed sale was a Relevant Transaction), provided that a VCT Investor may only be required to sell and transfer pursuant to an exercise of the Drag Along Right if that VCT Investor's Loan (if any) is, upon completion of the sale and transfer, repaid in full together with any accrued or unpaid interest thereon

14 2 The Drag Along Right shall be exercised by the Vendors serving written notice to that effect ("a Drag Along Notice") on the Called Shareholders at any time before the transfer of the Vendors' Equity Shares to the Offeror

14 3 A Drag Along Notice shall specify that the Called Shareholders are, or will in accordance with this Article 14 be, required to sell and transfer their shares to the Offeror on or about the date specified in the Drag Along Notice (which shall be not less than 7 days after the date of the Drag Along Notice or (if no such date is specified in the Drag Along Notice) on or about such date as the Vendors may subsequently specify by notice in writing to the Called Shareholders (which shall be not less than 7 days after the date of the Drag Along Notice)

14 4 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings of Equity Shares (other than "C" Ordinary Shares) to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to exercise of the Drag Along Right

14 5 Notwithstanding the provisions of Article 14 4 any or all of the Called Shareholders shall have the right to give to the Vendors and the other Called Shareholders within 30 days of the date of the Drag Along Notice a notice in writing stating that the Called Shareholder(s) concerned wish to acquire all the Equity Shares of the Vendors and the other Called Shareholders and the terms on which it proposes to do so, which must match or be better than those received or receivable from the Offeror by the Vendors ("a Counter Notice")

14 6 Subject to Article 14 4 and Article 14 5 each of the Called Shareholders shall be bound to sell his entire holding of shares and to transfer such shares in accordance with the provisions of the Drag Along Notice unless a Counter Notice has been given

14 7 If any Called Shareholder where a Counter Notice has not been made fails to complete the sale of any of his shares pursuant to the Drag Along Notice or otherwise

fails to take any action required of him under the terms of the Drag Along Right, the Directors (or any of them) may authorise any person to undertake on his behalf any action required under the terms of the Drag Along Right. In particular (but without limitation) the Directors shall have the same rights as given to them under Article 9.13

- 14.8 Upon any person, following the giving of a Drag Along Notice (and where a Drag Along Notice has been given but no Counter Notice has been given), becoming a member of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire shares in the capital of the Company ("a **New Member**"), a Drag Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed to have been given to the New Member
- 14.9 If only one Counter Notice is given, the provisions of Articles 14.6 to 14.8 (inclusive) shall apply mutatis mutandis to the Vendors and the Called Shareholders who have not given a Counter Notice as if they were the Called Shareholders and as if the Counter Notice is the Drag Along Notice. A Counter Notice once given shall be irrevocable
- 14.10 If more than one Counter Notice is given the Vendors shall enter into bona fide negotiations with those Members who have given Counter Notices with a view to obtaining the highest possible consideration and the best possible terms and following the acceptance of the terms contained in a Counter Notice by the Vendors, or
- 14.10.1 as the case may, following the production of a certificate from the Auditors pursuant to Article 14.12,
- then
- 14.10.1.1 the provisions of Articles 14.6 to 14.8 (inclusive) shall apply where no Counter Notice matches or is better than the Drag Along Notice or a revised Drag Along Notice, or
- 14.10.1.2 the provisions of Articles 14.6 to 14.8 (inclusive) shall apply mutatis mutandis to the Vendors and the Called Shareholders who have not given a Counter Notice or whose terms have not been accepted, in each case as if they were Called Shareholders and as if the Counter Notice the terms of which have been accepted is the Drag Along Notice
- 14.11 If one or more than one Counter Notice is given, the Vendors shall be entitled to revise the terms of the Drag Along Notice within 7 days of the expiry of the time allowed for the service of Counter Notices pursuant to Article 14.5
- 14.12 For the purposes of ascertaining which terms match or are better than those received or receivable from the Offeror in relation to any non-cash consideration the cash value of any non-cash consideration shall be that agreed between the Vendors and the Directors, or, as the case may be, between those who have served a Counter Notice and the Directors or if, in any case there is a failure to agree such cash value, then

the cash value shall be the amount certified as such by the Auditors (acting as experts and not arbitrators) as at the date of the first request made by any of the Vendors, or the Directors, or, as the case may be, by any of those who have served a Counter Notice. The certificate of the Auditors shall be final and binding.

- 14 13 If the Vendors exercise the Drag Along Right, it shall not be necessary for them first to have given Transfer Notices pursuant to Article 9 (*Pre-Emption Rights*) nor to have complied with the provisions of Article 13 (*Tag Along*).

15 WRITTEN RESOLUTIONS

- 15 1 For the purposes of section 297 of the Act, a written resolution will lapse if it is not passed before the end of such period as the Directors may determine (provided such period is detailed on the copy of the resolution circulated pursuant to section 291 of the Act), but in the absence of such determination the period shall be 28 days beginning with the circulation date of the resolution.

- 15 2 In the case of a shareholder which is a body corporate, the signature of a director or the secretary and, in the case of joint holders of a share, the signature of any one of such joint holders, shall be sufficient for the purpose of signifying a shareholder's agreement to a written resolution.

16 GENERAL MEETINGS

- 16 1 In accordance with the Act, the Company is not required to hold an annual general meeting.

- 16 2 Save as herein otherwise provided two Equity Shareholders present in person or by proxy (or, being a corporation, by representative), one of whom must be a proxy or duly authorised representative of the Investors holding "A" Ordinary Shares, shall be a quorum.

- 16 3 If a quorum is not present within half an hour from the time appointed for a general meeting or ceases to be present the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

- 16 4 If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for 13 days or more and due notice in such regard was given to the Members within 5 days of the adjournment whereupon the quorum at any such adjourned meeting shall be any two Members present in person or by proxy (or, being a corporation, by representative).

- 16 5 In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

- 16 6 Model Article 41(5) shall be amended by the insertion of the words "but otherwise it shall not be necessary to give any notice of the meeting" at the end of that Model Article.

- 16 7 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" at the end of that Model Article.

16 8 Proxies may only validly be appointed by a proxy notice which is delivered to the Company not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting to which they relate, in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate Model Article 45(1) shall be amended accordingly

16 9 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes If the Company does specify a particular form of proxy notice it shall set out the form of such proxy notice in the notice convening the meeting to which the proxy notice relates Model Article 45(2) shall be amended accordingly

16 10 Model Article 46(4) shall be amended by the insertion of the words "satisfactory to the Directors" immediately after the words "it must be accompanied by written evidence"

17 **DIRECTORS AND THEIR POWERS**

17 1 The number of Directors shall not be less than two nor more than eight

17 2 The Directors may resolve to change the name of the Company

17 3 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no Directors, the transmittee(s) of the last shareholder to have died or to have had a bankruptcy order made against him or her (as the case may be) have the right, by notice in writing, to appoint a person who is willing to act and is permitted by law to do so to be a Director Model Article 17(2) shall not apply to the Company and the reference in Model Article 17(3) shall be deemed to be a reference to this article

17 4 Model Article 5(1)(c) shall be amended by the insertion of the words "(including collaterally with or to the exclusion of their own powers)" at the end of that Model Article

17 5 No alteration of these Articles invalidates anything which the Directors have done which would have been valid had that alteration not been made

18 **ALTERNATE DIRECTORS**

18 1 Any Director (other than an alternate Director) (an "**appointor**") may appoint any other Director or any other person approved by resolution of the Directors and willing to act to be an alternate Director and may remove from office an alternate Director so appointed Every appointment and removal of an alternate Director shall be effected by notice to the Company in writing signed by the appointor and subject to any approval required shall, unless the Directors otherwise agree, take effect only upon receipt of such written appointment or removal at the Company's registered office

18 2 An alternate Director shall not be entitled merely by virtue of being an alternate Director to receive any remuneration from the Company except 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

18 3 Except as otherwise provided in these Articles, alternate Directors are deemed for all purposes to be Directors, are alone responsible for their own acts and defaults, are

subject to the same restrictions as their appointors, and are not deemed to be agents of or for their appointors. In particular, an alternate Director is entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a Director in his appointor's absence and to receive notice of all general meetings

18 4 A person who is an alternate Director but not a Director, and whose appointor is an Eligible Director in respect of any decision to be taken by the Directors, but such appointor is not participating in the making such decision

18 4 1 may be counted as participating in any meeting of the Directors for the purpose of determining whether a quorum is present, and

18 4 2 shall be required to participate in any unanimous decision of the Directors

18 5 A person who is an alternate Director and also a Director in his or her own right is entitled, in the absence of his or her appointor, to a separate vote on behalf of his or her appointor, in addition to his or her own vote, on any decision of the Directors (unless his appointor would not be an Eligible Director in respect of such decision) and shall, for the purposes of determining whether

18 5 1 a quorum is present, or

18 5 2 a decisions of the Directors has been made unanimously,

count as more than one Director (one Director in his own right and one Director for each appointment he holds as an alternate Director)

18 6 An person may act as alternate Director for more than one Director

18 7 An alternate Director shall cease to be an alternate Director immediately upon

18 7 1 the alternate Director's appointor ceasing to be a Director,

18 7 2 the alternate Director's appointor revoking his appointment,

18 7 3 the happening of any event which, if the alternate Director were a Director, would cause him to be required to vacate such office

18 8 The Company may pay any reasonable expenses which alternate Directors properly incur and Model Article 20 shall be amended by the addition of the words "(including alternate Directors)" immediately following the words "reasonable expenses which the Directors"

19 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

19 1 The Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director

19 2 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors

20 **PROCEEDINGS OF THE DIRECTORS**

- 20 1 If the Company only has one director and that director is the Investor Director, the Investor Director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making
- 20 2 Subject to Article 20 5 the quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall be the Investor Director (or his alternate) if at the time of the meeting an Investor Director has been appointed
- 20 3 At any meeting of the Directors each Director (or his alternate Director) present at the meeting shall be entitled to one vote
- 20 4 If the numbers of votes for and against a proposal are equal, the chairman or other Director chairing the meeting shall not have a casting vote Model Article 13 shall not apply to the Company
- 20 5 In relation to any proposal to authorise a Conflict Situation pursuant to article 20 9 if, other than the Director(s) to which the Conflict Situation relates, there is only one Director in office, the quorum shall be one Eligible Director
- 20 6 Subject to the provisions of the Act, and to Article 6 (*Variation of class rights*) and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office
- 20 6 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,
- 20 6 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,
- 20 6 3 may, or any firm or company of which he is a 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,
- 20 6 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
- 20 6 5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 20 6 1 to 20 6 4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted
- 20 7 For the purposes of Article 20 6
- 20 7 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,

- 20 7 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
- 20 7 3 an interest of a person who is 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
- 20 8 Model Article 14 shall not apply to the Company Save as otherwise specified in these Articles or the Act and subject to any limitations, conditions or terms attaching to any authorisation given by the Directors for the purposes of Section 175(4)(b) of the Act, a Director may vote on, and be counted in the quorum in relation to, any resolution relating to a matter in which he has, or can have
- 20 8 1 a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company, and
- 20 8 2 a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company
- 20 9 If a Conflict Situation arises, the Directors may authorise it for the purposes of Section 175(4)(b) of the Act by a resolution of the Directors made in accordance with that section and these Articles At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms as (in each case) they consider appropriate and reasonable in all circumstances Any authorisation may be revoked or varied at any time at the discretion of the Directors
- 20 10 It is recognised that an Investor Director
- 20 10 1 may be an employee, consultant, director, member or other officer of an Investor or of an Investor Affiliate,
- 20 10 2 may be taken to have, through previous or existing dealings, a commercial relationship with the Investor or with an Investor Affiliate,
- 20 10 3 may be a director or other officer of, or be employed by, or otherwise involved in the business of other entities in which the Investor or an Investor Affiliate has or may have an interest from time to time, and
- 20 10 4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such other directorship, membership, office, employment, relationship or his involvement with the Investor, with an Investor Affiliate or with any entity referred to in Article 20 10 3,
- and he shall not be in breach of the duties he owes to the Company as a result of any Conflict Situation which arises from the relationships contemplated by this Article, including (without limitation) in relation to proposals for financing or otherwise promoting the business of (whether in competition with the Company or not) any such other entity
- 20 11 In the circumstances contemplated by Article 20 9 and notwithstanding any other provision of these Articles, each Director affected shall

- 20 11 1 be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates,
- 20 11 2 not be excluded from those parts of meetings of the Directors or meetings of a committee of the Directors at which matters to which the Conflict Situation relates are discussed,
- 20 11 3 be entitled to vote (and form a part of the quorum) at any such meeting
- 20 12 Any information which a Director obtains, other than in his capacity as a Director of the Company, which is confidential in relation to an entity referred to in Article 20 10 need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence
- 21 THE INVESTOR DIRECTOR**
- 21 1 Subject to Article 21 8 but notwithstanding any other provisions of these Articles, for so long as the Investors or any of them are holder(s) of any share(s) and/or VCT Investors' Loans in the Company, they have the right (acting by Investor Majority if more than one) to appoint one person as a Director of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place
- 21 2 The Investor Director shall not be required to hold any shares
- 21 3 Any appointment or removal of the Investor Director appointed pursuant to Article 21 1 shall be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors
- 21 4 For so long as the Investors are the holders of Equity Shares, on any resolution to remove the Investor Director the shares held by the Investors shall together carry at least one vote in excess of 75% of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed and if any such Director is removed pursuant to Section 168 of the Act the Investors who appointed such Director may reappoint him or any other person as their Investor Director in accordance with Article 21 1
- 21 5 Subject to Article 21 8 but notwithstanding any other provisions of these Articles, so long as the Investors or any of them are holder(s) of any Share(s) and/or VCT Investors' Loans in the Company, they shall have the right (acting by Investor Majority if more than one) to appoint one person as an Observer at board meetings of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place
- 21 6 The Observer shall be entitled to receive the same information concerning the business and affairs of the Company, as the Directors receive, and at the same time, but shall not be entitled to vote at meetings of the Directors and shall not be counted towards the quorum
- 21 7 Any appointment or removal of the Observer shall be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors

21 8 The Investors may appoint one Investor Director or one Observer but shall not be entitled to appoint more than one person as an Investor Director and/or an Observer in aggregate at any one time

22 **PARTLY PAID UP SHARES, LIENS, CALLS AND FORFEITURE**

22 1 Model Article 21 shall not apply to the Company Subject to the articles the Company may issue shares which are nil paid, partly paid or fully paid up

22 2 The Company has a lien ("**the Company's Lien**") over every Equity Share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Equity Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company, whether payable immediately or at some time in the future

22 3 The Company's Lien over an Equity Share takes priority over any third party's interest in that Equity Share and extends to any dividend or other money payable by the Company in respect of that Equity Share, and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that Equity Share

22 4 The Directors may at any time decide that an Equity Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

22 5 Model PLC Article 53 shall apply to the Company and shall govern the enforcement of the Company's Lien, save that

22 5 1 in Model Article 53(2)(c) the word "clear" shall be inserted between the words "14" and "days", and

22 5 2 in Model Article 53(4)(b) the words "a suitable indemnity" shall be deleted and replaced by the words "an indemnity in a form reasonably satisfactory to the Directors" and the words "over the Equity Share before the sale for any money payable in respect of the Equity Share" shall be deleted and replaced by the words "for any money payable (whether payable immediately or at some time in the future) as existed upon the Equity Share before the sale in respect of all Equity Share registered in the name of such person (whether as the sole registered holder or as one of several joint holders)"

22 6 Model PLC Article 54 shall apply to the Company and shall govern the serving of call notices, save that in Model PLC Article 54 (2)(a) the words "sum unpaid on that member's shares (whether as to the share's nominal value or any amount payable to the company by way of a premium)" shall be deleted and replaced by the words "amount of his indebtedness or liability to the Company"

22 7 Model PLC Article 55 shall apply to the Company and shall govern shareholders' liability to pay calls

22 8 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that Equity Share on allotment, on the occurrence of a particular event, or on a date fixed by or in accordance with the terms of issue But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Equity Share concerned

is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

- 22 9 Model PLC Article 57 shall apply to the Company and shall govern the automatic consequences of failure to comply with a call notice
- 22 10 A notice of intended forfeiture
 - 22 10 1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice,
 - 22 10 2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder,
 - 22 10 3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice,
 - 22 10 4 must state how the payment is to be made, and
 - 22 10 5 must state that if the notice is not complied with, the Equity Share in respect of which the call is payable will be liable to be forfeited
- 22 11 Model PLC Articles 59 to 62 shall apply to the Company
- 22 12 If an Equity Share is subject to the Company's Lien and the Directors are entitled to issue a lien enforcement notice in respect of it, they may, instead of issuing a lien enforcement notice, deduct from any dividend or the sum payable in respect of the share any sum of money which is payable to the Company to the extent that they are entitled to require payment under a lien enforcement notice. Money so deducted must be used to pay any of the sums payable in respect of that share. The Company must notify the distribution recipient in writing of the fact and amount of any such deduction, any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and how the money deducted has been applied.

23 MISCELLANEOUS

- 23 1 Except as provided by law or authorised by the Directors or an ordinary resolution of the Company or by these articles, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder. Model Article 50 shall not apply to the Company
- 23 2 Model PLC Article 44 shall apply to the Company and shall govern the payment of commissions on subscriptions for shares
- 23 3 Model PLC Article 51 shall apply to the Company and shall govern the issue of share warrants
- 23 4 Model PLC Article 69 shall apply to the Company and shall govern the procedure of disposing of fractions of shares
- 23 5 Model Article 24(2)(c) shall be amended by the deletion of the words "that the shares are fully paid, and" and their replacement with the words "the amount or respective amounts paid up on those shares, and"

23 6 Model Article 25(2)(c) shall be amended by the insertion of the words "and all reasonable expenses" immediately following the words "payment of a reasonable fee"

23 7 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying any amounts unpaid on existing shares held by the persons entitled, or in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct Model Article 36(4) shall be amended accordingly

24 **NOTICES**

24 1 Subject to the Act, a document or information may be sent or supplied by the Company to a person by being made available on a website

24 2 If any share is registered in the name of joint holders the Company may send any notice, document or other communication to the joint holder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve any notice, document or other communication on any of the other joint holders

24 3 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

24 3 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),

24 3 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

24 3 3 if properly addressed and sent or supplied by electronic means, 24 hours after the document or information was sent or supplied, and

24 3 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

24 4 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

25 **INDEMNITY & INSURANCE**

25 1 Subject to the Act, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- 25 1 1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him or her as a Relevant Officer in the actual or purported execution and/or discharge of his or her duties, or in relation to them and in relation to any Relevant Company's activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including (in each case) any liability incurred by him or her in defending any civil or criminal proceedings, in which judgment is given in his or her favour or in which he or she is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part or in connection with any application in which the court grants him or her, in his or her capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to any Relevant Company's affairs, and
- 25 1 2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him or her in connection with any proceedings or application referred to in article 25 1 1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure
- 25 2 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss
- 25 3 Model Article 52 (save for Model Article 52(2)) and Model Article 53 shall not apply to the Company
- 25 4 In this article 25

"Relevant Company" means the Company, any holding company or parent undertaking from time to time of the Company or in which the Company or any such holding company or parent undertaking or any of the predecessors of the Company or of any such holding company or parent undertaking has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the Company or any subsidiary or subsidiary undertaking of the Company or of such other company or undertaking,

"Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to any Relevant Company or any pension fund or employees' share scheme of any Relevant Company, and

"Relevant Officer" means any director or other officer or former director or other officer of any Relevant Company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the Relevant Company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as