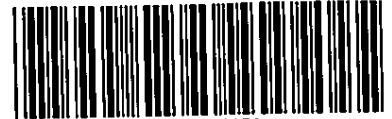


Company number: 06820461

FRIDAY



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COMPANIES HOUSE

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION**  
**of**  
**GEOVISUALIZATION SYSTEMS LIMITED**  
**("the Company")**

**(Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("the Act"))**

We, the undersigned, being the requisite majority of shareholders of the Company entitled to vote, hereby pass the following resolutions as to resolutions numbered 1 and 2 as Ordinary Resolutions and resolutions numbered 3 and 4 as Special Resolutions as if the same had been passed at a General Meeting of the Company duly convened and held:

**ORDINARY RESOLUTION**

1. That the terms in the agreements proposed to be entered into between (1) the Company and Ignacy Rafal Goralski and (2) the Company and Alastair MacDonald providing for their employment to continue otherwise than at the instance of the Company for a period of more than two (2) years, be approved
2. THAT the directors be generally and unconditionally authorised pursuant to section 551 of the Act to allot, grant options over or to otherwise deal with or dispose of the share capital of the Company provided that the authority thereby given:
  - 2.1 shall be limited to the issue of 500 Preferred Ordinary shares of £1.00 each in the capital of the Company at the date of passing of this resolution; and
  - 2.2 the authority shall expire on the day preceding the fifth anniversary of the date on which this resolution was passed unless previously renewed or varied save that the directors may notwithstanding such expiry allot, grant options over or otherwise deal with or dispose of any shares under the authority in pursuance of an offer or agreement so made by the Company before the expiry of the authority.

**SPECIAL RESOLUTIONS**

3. That, in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by the resolution contained at resolution 1, as if section 561(1) of the 2006 Act did not apply to any such allotment; and

4. THAT the Articles of Association attached and, for the purpose of identification, marked "A" be and are hereby adopted as the new Articles of Association of the Company;

DATED 2<sup>ND</sup> MARCH 2010

#### AGREEMENT

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

The undersigned, a person entitled to vote on the above resolutions hereby irrevocably agrees to those resolutions as indicated above

Signed *IR Goralski*  
Ignacy Rafal Goralski

Date 2<sup>ND</sup> MARCH 2010

Signed *Alastair Revans MacDonald*  
Alastair Revans MacDonald

Date 2<sup>ND</sup> MARCH 2010

Signed *C. Gold*  
Christopher Malcolm Gold

Date 2<sup>ND</sup> MARCH 2010

Signed *A. Hughes*  
UGCS (University of Glamorgan  
Commercial Services) Limited

Date 2<sup>ND</sup> MARCH 2010

## NOTES

- 1 If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By Hand:** delivering the signed copy to Capital Law LLP at One Caspian Point, Caspian Way, Cardiff Bay, CF10 4DQ.
- **Post:** returning the signed copy by post to Capital Law LLP at One Caspian Point, Caspian Way, Cardiff Bay, CF10 4DQ marked "For the attention of Tom Kelleher".
- **Fax:** faxing the signed copy to 0333 2400 487 marked "For the attention of Tom Kelleher"
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to [t.kelleher@capitallaw.co.uk](mailto:t.kelleher@capitallaw.co.uk) Please enter "Written resolution dated 2<sup>ND</sup> MARCH 2010" in the e-mail subject box.

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

2. Once you have indicated your agreement to the resolution, you may not revoke your agreement
3. Unless, by midnight on 2<sup>ND</sup> MARCH 2010, sufficient agreement has been received for the resolution to pass, they will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Company No. 6820461

"A"

THE COMPANIES ACTS 2006

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PRIVATE COMPANY LIMITED BY SHARES

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NEW  
ARTICLES OF ASSOCIATION

(adopted by special resolution passed on 2<sup>ND</sup> MARCH 2010)

of

GEOVISULIZATION SYSTEMS LIMITED

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## PRELIMINARY

### 1 TABLE A

- 1 1 The regulations contained in Table A, save in so far as they are expressly excluded or varied by these Articles, and the regulations contained in these Articles shall together constitute the regulations of the Company
- 1 2 The regulations of Table A numbered 24, 40, 73 to 77 (inclusive), 80, 96, 101 and 118 do not apply to the Company

### 2 INTERPRETATION

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

<b>acting in concert</b>	shall have the meaning set out in the City Code on Takeovers and Mergers for the time being,
<b>the Act</b>	the Companies Act 1985 to 2006 (as amended ),
<b>Auditors</b>	the auditors to the Company for the time being,
<b>Board</b>	the board of directors of the Company for the time being or, as the context may require, any duly authorised committee,
<b>Business Day</b>	any day except Saturday, Sunday or any Bank Holiday in England or Wales,
<b>Controlling Interest</b>	an interest (within the meaning of schedule 13 Part I and section 24 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company,
<b>connected with</b>	shall be determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988,

<b>Critical Illness</b>	means a medical condition which renders a person wholly or substantially incapable (in the reasonable opinion of the Board and Finance Wales) of performing his duties as a director or employee (as the case may be) of the Company either permanently or for the foreseeable future,
<b>Director(s)</b>	a director of the Company from time to time,
<b>Directors' Emoluments</b>	in respect of each Financial Year an amount equal to emoluments (including salary, fees and bonuses, sums paid by way of expenses allowance (so far as they are chargeable to United Kingdom income tax), the estimated money value (for the purposes of United Kingdom income tax) of any other benefits received otherwise than in cash, and any company contributions paid, or treated as paid, under any pension scheme) paid or payable in respect of the relevant Financial Year to any person who was or would be at the time of such payment interested in shares of the Company and a director or former director or any person connected with any such director or former directors (other than an Investor Director),
<b>EMI Scheme</b>	means an employee management incentive share option scheme adopted by the Company,
<b>Equity Shares</b>	the Ordinary Shares and the Preferred Ordinary Shares,
<b>Family Member</b>	the wife or husband (or widow or widower), children and grandchildren (including step and adopted children and grandchildren) of a member of the Company,
<b>Family Shares</b>	in relation to a member of the Company, any Shares for the time being held by that member or any of his Family Members or trustees of his Family Trust,

<b>Family Trust</b>	in relation to a member of the Company, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such member or any of his Family Members,
<b>Financial Year</b>	an accounting period of 12 months (save for the first) in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act,
<b>Finance Wales</b>	Finance Wales Investments (6) Limited (registered in England and Wales with company number 6763979),
<b>Group</b>	the Company and its subsidiary undertakings from time to time and references to "member of the Group" or to "Group Member" shall be construed accordingly,
<b>Holder</b>	in respect of any share in the capital of the Company, the person or persons for the time being registered by the Company as the holder of that share,
<b>Institutional Investor</b>	a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing,
<b>Issue Price</b>	in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium,
<b>Investment Date</b>	the date of the adoption of the Articles,
<b>Investor Director</b>	the director appointed pursuant to <b>Article 19.2</b> ,



**Investor Group**

(in relation to each Investor) ,

- (a) the Investor or any subsidiary or holding company of the Investor or subsidiary of a holding company of the Investor (each a "Relevant Person"), or
- (b) any partnership (or the partners in any such partnership) of which any Relevant Person is general partner, manager, consultant or adviser, or
- (c) any unit trust or other fund of which any Relevant Person is trustee, manager, consultant or adviser; or
- (d) any unit trust, partnership or other fund, the managers of which are advised by any Relevant Person, or
- (e) any nominee or trustee of any Relevant Person, or
- (f) any person or firm, authority or organisation (whether or not incorporated) which is the successor in title to, or in whom is vested, or by whom responsibility is assumed for the whole or a substantial part of the functions, assets and liabilities of a Relevant Person,

**Investors**

Finance Wales Investments (6) Limited and shall include any permitted assignee of the same,

**Listing**

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

**Ordinary Shareholder Director** the director appointed pursuant to **Article 19.1**,

**Net Profits**

the net consolidated profit of the Group on ordinary activities calculated on the historical cost accounting basis and in accordance with the accounting practices, policies and bases of the Company, consistently applied, which are generally accepted in the United Kingdom and as shown in the [audited] consolidated profit and loss account of the Company for the relevant Financial Year

- (a) before provision for, or deducting the amount of, any dividends payable on any shares or any other distribution,
- (b) before provision for the transfer of any sum to reserve or writing off goodwill,
- (c) after exceptional items, and
- (d) before deducting corporation tax (and any other tax levied upon or measured by reference to profits or gains) on such profits (including deferred tax), and

- (e) plus a sum equal to the amount by which Directors' Emoluments in aggregate are in excess of £100,000,

<b>Ordinary Shares</b>	the ordinary shares of £0 10 each in the capital of the Company having the rights set out in <b>Article 4</b> ,
<b>Ordinary Shareholder</b>	a holder of the Ordinary Shares from time to time,
<b>Preferred Ordinary Shares</b>	the preferred ordinary shares of £1 00 each of the Company having the rights set out in <b>Article 4</b> ,
<b>Preferred Ordinary Shareholder</b>	a holder of the Preferred Ordinary Shares from time to time,
<b>Preferred Dividend</b>	the dividend payable to the holders of the Preferred Ordinary Shares,
<b>Sale</b>	the transfer (other than a transfer permitted under <b>Articles 8.1, 8 2, 8 3(a) and 8.3(b)</b> ) of any interest in the shares of the Company to any person (whether by one transaction or by a series of transactions) resulting in that person alone or together with persons acting in concert with such person having the right to exercise a <i>Controlling Interest</i> ,
<b>Shares</b>	the Ordinary Shares and Preferred Ordinary Shares,
<b>Table A</b>	the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985, The Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007

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

## SHARE RIGHTS

### 3 SHARE CAPITAL

The issued share capital of the Company at the date of adoption of these articles is £400 00 made up of 1000 Ordinary Shares of £0 10 each and 300 Preferred Ordinary Shares of £1 00 each

### 4. RIGHTS ATTACHED TO SHARES

The rights attached to the Shares are as follows

#### 4 1 Dividends

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

- 4 1 1 Firstly, in respect of each Financial Year beginning on 1<sup>st</sup> April 2010 the Company shall, without resolution of the Board or the Company in general meeting and before application of any profits to reserve or any other purpose, pay to the members holding Preferred A Ordinary Shares a cumulative preferential cash dividend which is equal to the per centum of Net Profits for the relevant Financial Year set out in the table below ("**Preferred Dividend**") Each Preferred Dividend shall be paid 4 months after the end of the relevant Financial Year of the Company or 14 days after the date on which the accounts of the Company for the relevant Financial Year are signed by the directors, whichever is earlier

Financial Year	Dividend (% of Net Profits)
1 April 2010 – 31 March 2011	8%
1 April 2011 – 31 March 2012	10%
1 April 2012 – 31 March 2013 and onwards	12%

- 4 1 2 Thereafter dividends shall be paid in accordance with **Article 4.1.6**

- 4 1 3 For so long as there are Preferred Ordinary Shares in issue, the Company shall require the Auditors (or accountants if no auditors have been appointed) at the Company's expense to prepare a statement of the Net Profits for each Financial Year of the Company within 4 months of the end of the relevant Financial Year

- 4.1.4 If the Company fails to pay a Preferred Dividend on a date specified in this **Article 4.1**, interest thereon shall accrue from that date until payment at the rate of 6.5 per cent per annum above the base rate of Barclays Bank plc for the time being capped at 12%, compounded on 31st December, 31st March, 30th June and 30th September in each year
- 4.1.5 Where the Company is precluded by the Act or otherwise from paying in full any Preferred Dividend on any date specified in this **Article 4.1**, then in respect of any such dividend which would otherwise require to be paid pursuant to these Articles on that date,
- (a) the Company shall pay, on that date, to the holders of such Shares on account of that dividend the maximum sum (if any) which can then, consistently with the Acts be paid by the Company, and
  - (b) as soon as the Company is no longer precluded from doing so, the Company shall in respect of such Shares pay on account of the balance of that dividend for the time being remaining outstanding, and until all arrears, accruals and deficiencies of such dividends have been paid in full, the maximum amount of such dividends which can, consistently with the Act properly be paid by the Company at that time
- 4.1.6 Subject to the payment of the Preferred Dividend any remaining profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of members of the Company in general meeting be applied in distributing the balance of such profits amongst the holders of the Preferred Ordinary Shares and the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by them respectively as if they constituted one class of share. No such further dividend shall be declared or paid by the Company which is in excess of 5% of the Net Profits without the prior written consent of Finance Wales.
- 4.1.7 The Company shall procure the distribution to the Company in respect of each financial year, whether by way of dividend, reduction of capital, liquidation of subsidiaries or otherwise, of sufficient of the profits of its subsidiaries to enable the Company to pay the Preferred Dividend

## 4 2 Capital

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

4 2 1 Firstly, in paying to each member holding Preferred Ordinary Shares,

- (a) all unpaid arrears and accruals of the Preferred Dividend and any further dividend on the Preferred Ordinary Shares held by him calculated down to and including the date the return of capital is made (such arrears and accruals being payable irrespective of whether the relevant dividend has become due and payable in accordance with the articles) and,
- (b) an amount equal to the Issue Price of all the Preferred Ordinary Shares held by him,

4 2 2 secondly, in paying to each holder of Ordinary Shares, first, any dividends thereon which have been declared but are unpaid and, secondly, an amount equal to the Issue Price of each Ordinary Share held by him, and

4 2 3 thereafter, in distributing the balance of such assets amongst the holders of the Ordinary Shares and the Preferred Ordinary Shares (*pari passu* as if they constituted one class of Share) in proportion to the numbers of the Ordinary Shares and the Preferred Ordinary shares held by them respectively

## 4 3 Conversion

4 3 1 The members holding Preferred Ordinary Shares may at any time convert all the Preferred Ordinary Shares into the same number of fully paid Ordinary Shares by notice in writing given to the Company signed by the holders of not less than 51 per cent of the Preferred Ordinary Shares. The conversion shall take effect immediately upon the date of delivery of that notice to the Company (unless the notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when those conditions have been fulfilled) and the Company and members shall do all acts necessary to procure that conversion

- 4 3 2 In this **Article 4.3**, the "**conversion date**" means the date and time on which Preferred Ordinary Shares are to be converted into Ordinary Shares in accordance with this **Article 4.3**
- 4 3 3 Each member holding Preferred Ordinary Shares shall deliver the certificate(s) for those shares (or an indemnity in a form reasonably satisfactory to the Company in respect of any missing share certificate) to the Company on or before the conversion date whereupon the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares arising on conversion
- 4 3 4 The Preferred Ordinary Shares shall rank for an apportioned part of the Preferred Dividend attributable to the Financial Year of the Company in which the conversion date falls, calculated on a daily basis down to and including the conversion date. The Company shall accordingly deliver to each holder of Preferred Ordinary Shares on the conversion date, in cleared funds, an amount equal to the aggregate of
- (a) all arrears and accruals of the Preferred Dividend attributable to Financial Years ending on or before the conversion date, whether declared or earned and payable under these Articles or not, and
  - (b) the Preferred Dividend from the date of the commencement of the then current Financial Year of the Company down to and including the conversion date, whether declared or earned and payable under these articles or not "Net Profits" for this purpose shall be the net profits of the Group, calculated on the same basis as "Net Profits", by reference to the unaudited consolidated management accounts of the Company for the period from the start of the then current Financial Year to the latest practicable date prior to the conversion date
- 4 3 5 The Ordinary Shares arising on conversion shall rank *pari passu* in all respects with the issued Ordinary Shares and shall entitle the holders of them to all dividends and other distributions declared, made or paid in the following Financial Year by reference to a record date on or after the conversion date on the Ordinary Shares

#### 4 4 **Voting**

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

#### 4 5 **Leaver**

If a person gives a Deemed Transfer Notice pursuant to **Article 11** as a result of a Transfer Event described in **Article 11 1(a)** occurring, then such person shall from the date of such Deemed Transfer Notice cease to have any of the rights described in

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

4 5 2 **Article 4.5 (voting)**

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

In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale the selling holders (immediately prior to such Sale) shall procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst the holders of the Ordinary Shares and the Preferred Ordinary Shares (pari passu as if they constituted one class of share) in proportion to the numbers of the Ordinary Shares and the Preferred Ordinary Shares held by them respectively

#### 6 **VARIATION OF RIGHTS**

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



general meetings of the Company (and to the proceedings at such general meetings) shall apply

## **TRANSFER OF SHARES**

### **7 GENERAL**

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

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

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

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

### **8 PERMITTED TRANSFERS**

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

#### **8 1 Permitted transfers by Investors**

8 1 1 Any Investor holder being a body corporate shall be entitled to transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Group Company**") but if a Group Company whilst it is a holder of shares in the Company shall cease to be a Group Company in relation to the body first holding the relevant shares it shall, within 15 Business Days of so ceasing, transfer the shares

held by it to such body or any Group Company of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice pursuant to **Articles 9 and 11**

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

8 1 3 Any Investor holder shall be entitled to transfer all or any of its shares to any Institutional Investor or group of Institutional Investors

## 8 2 **Permitted Transfers by non-Investors**

8 2 1 Subject to **Articles 8.2.2 to 8.2.6** inclusive, any holder who is an individual may at any time transfer Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be -

(a) a Family Member of his, or

(b) trustees to be held under a Family Trust in relation to that individual or their Family Members.

8 2 2 Subject to **Article 8.2 4**, no Shares shall be transferred under **Article 8.2.1** by any person who previously acquired those Shares by way of transfer under **Article 8.2.1** save to another individual who is a Family Member of the original holder of such Shares

8 2 3 No transfer of Shares shall be made by a holder under **Article 8 2.1** if the proposed transfer will result in 50 percent or more of the shares originally held by the member being held by that holder's Family Trusts and Family Members

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

(a) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust whose identity has been approved in writing by the Investor Director, such approval not to be unreasonably withheld, delayed, conditioned or refused,

(b) those Shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have

transferred them under **Article 8 2.1** if he had remained the holder of them, and

- (c) if any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under **Articles 8.2.4(b)**), the trustees shall be deemed to have given a Transfer Notice in respect of all the Shares then held by those trustees pursuant to **Article 11**

8 2 5 If -

- (a) any person has acquired Shares as a Family Member of a holder by way of one or more permitted transfers, and
- (b) that person ceases to be a Family Member of that holder

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

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

### 8 3 Permitted Transfers by all Shareholders

- 8 3 1 Any holder may at any time transfer any shares in accordance with the provisions of the Act to the Company
- 8 3 2 Any holder may at any time transfer all or any of his shares to any other person with the prior written consent of the Board and the Investor Director or (if one has not been appointed) Finance Wales
- 8 3 3 Any shares may be transferred pursuant to **Article 9** (Voluntary Transfer) and **10** (Change of Control)

9       **VOLUNTARY TRANSFERS**

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

9 1 1      the number and class(es) of shares ("**the Sale Shares**") which he wishes to transfer,

9 1 2      the name of any third party to whom he proposes to sell or transfer the Sale Shares,

9 1 3      the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**"), and

9 1 4      whether or not the Transfer Notice is conditional upon all, and not part only, of the Sale Shares so specified being sold pursuant to the offer hereinafter mentioned ("**a Total Transfer Condition**") and, in the absence of such stipulation, it shall be deemed not to be so conditional

9 2       Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified

9 2 1      that all the shares registered in the name of the Vendor shall be included for transfer,

9 2 2      that (subject to **Article 11**) the price for the shares shall be as agreed between the Board and the Vendor or, failing agreement, shall be fair value as determined by the Auditors pursuant to **Article 12**, and

9 2 3      that a Total Transfer Condition shall not apply

9 3       No Transfer Notice once given or deemed to be given in accordance with these Articles shall be withdrawn unless the Vendor is obliged to procure the making of an offer under **Article 10** and is unable so to procure. In that event the Vendor shall be entitled to withdraw such Transfer Notice, without liability to any person, prior to completion of any transfer

9 4       The Transfer Notice shall constitute the Company the agent of the Vendor for the sale of the Sale Shares at the Transfer Price

- 9 5 The Company shall forthwith upon receipt of a Transfer Notice or, where later, upon the determination of the Transfer Price give notice in writing to each of the holders of Shares informing them that the Sale Shares are available and of the Transfer Price. Such notice shall invite each holder to state, in writing within 20 Business Days from the date of such notice (which date shall be specified therein), whether he is willing to purchase any and, if so, how many of the Sale Shares.
- 9 6 The Sale Shares shall first be offered to each shareholder on terms that, in the event of competition, the Sale Shares offered shall be sold to the holders accepting the offer in proportion (as nearly as may be) to their existing holdings of Shares (the "**Proportionate Entitlement**") It shall be open to each such holder to specify if he is willing to purchase shares in excess of his Proportionate Entitlement ("**Excess Shares**") and, if the holder does so specify, he shall state the number of Excess Shares.
- 9 7 Within 3 days of the expiry of the offers to be made pursuant to **Article 9.5.1** (or sooner if all the Sale Shares offered shall have been accepted in the manner provided in **Article 9.5.1**), the Board shall allocate the Sale Shares in the following manner:
- (a) if the total number of shares applied for is equal to or less than the available number of Sale Shares the Company shall allocate the number applied for in accordance with the applications, or
  - (b) if the total number of shares applied for is more than the available number of Sale Shares, each holder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) in the order of priorities set out in **Article 9.5.2**, applications for Excess Shares shall be allocated in accordance with such applications or, in the event of competition, (as nearly as may be) to each holder applying for Excess Shares PROVIDED THAT such holder shall not be allocated more Excess Shares than he shall have stated himself willing to take.

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

9 8 Subject to **Article 9.7**, upon such allocations being made as aforesaid, the Vendor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants named therein at the time and place therein specified free from any lien, charge or encumbrance. If he makes default in so doing, the chairman for the time being of the Company or, failing him, one of the Directors, or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor a transfer of the relevant Sale Shares to the Member Applicant and any Director may receive and give a good discharge for the purchase money on behalf of the Vendor and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members as the holder or holders by transfer of the shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Vendor until he shall deliver up his certificate or certificates for the relevant shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money.

9 9 If the Vendor shall have included in the Transfer Notice a Total Transfer Condition and if the total number of shares applied for by Member Applicants is less than the number of Sale Shares then the Allocation Notice shall refer to such provision and shall contain a further invitation, open for 10 business days, to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the preceding paragraphs of this **Article 9** shall be conditional upon such provision as aforesaid being complied with in full.

9 10 In the event of all the Sale Shares not being sold under the preceding paragraphs of this **Article 9** the Vendor may, at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares (which have not been sold) to any person or persons at any price not less than the Transfer Price PROVIDED THAT

9 10 1 if the Vendor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Vendor shall not be entitled, save with the written consent of all the other shareholders of the Company,

to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons,

9 10 2 any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the purchaser and, if not so satisfied, may refuse to register the instrument of transfer, and

9 10 3 for the avoidance of doubt, the Board shall refuse registration of the proposed transferee if such transfer obliges the Vendor to procure the making of an offer in accordance with **Article 10.1**, until such time as such offer has been made and, if accepted, completed

## 10 **CHANGE OF CONTROL**

### 10 1

10 1 1 Subject to **Article 10.1.2** if the effect of any transfer of shares by a Vendor would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Vendor shall procure the making, by the proposed transferee of the Vendor's shares, of a Come Along Offer to all of the other holders of Shares of the Company Every holder or recipient of such offer, on receipt of a Come Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer) Until such Come Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer or transfers

10 1 2 The provisions of **Article 10.1.1** and **10.2.2** shall not apply to any transfer of shares

(a) pursuant to **Article 8** (other than **Article 8.3.3**),

(b) to any person who was holder of Shares at the date of the adoption of these articles

10 1 3 **"Come Along Offer"** means an unconditional offer, open for acceptance for not less than 20 business days, to purchase all Shares held by the recipients of a Come Along Offer or Shares which recipients may subscribe free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in **Article 10.1.1** (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the shares giving rise to the obligation to make the Come Along Offer) within the period of one year prior to and on the proposed date of completion of such transfer of shares

10 1 4 In the event of disagreement, the calculation of the relevant Come Along Offer price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales at the request of any such party) whose decision shall (in the absence of fraud or manifest error) be conclusive and binding on the Company and upon all its members for the purposes of these articles

## 10 2

10 2 1 If the holders of the majority of the holders of Shares which include the holders of the Preferred Ordinary Shares (in this **Article 10.2**, the **"Vendors"**) wish to transfer their shares in the Company (the **"Offer"**) to any person (the **"Purchaser"**), then the Vendors shall also have the option to require all of the other holders of Shares to transfer all their shares in the Company to the Purchaser, or as the Purchaser directs, by giving notice (the **"Drag Along Notice"**) to that effect to all such other holders (the **"Called Shareholders"**) specifying that the Called Shareholders are, or will, in accordance with this **Article 10.2**, be required to transfer their shares pursuant to this **Article 10.2** free from all liens, charges and encumbrances and the price (the **"Proposed Price"**) at which such shares are proposed to be transferred

10 2 2 If the Called Shareholders (or any of them) shall make default in transferring their shares pursuant to this **Article 10.2**, the provisions of



**Article 9.6** (references therein to the Vendor, Sale Shares, Allocation Notice and Member Applicant being read as references to the holder making such default, the shares in respect of which such default is made, the Drag Along Notice and the Purchaser respectively) shall apply to the transfer of such shares mutatis mutandis but the Transfer Price shall be the price offered for such shares as set out in this **Article 10.2** and the provisions of **Article 9.7** shall not apply

## **11 COMPULSORY TRANSFERS**

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

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

- (a) becoming bankrupt, or
- (b) dying,

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

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

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

- (a) having a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets, or
- (b) having an administrator appointed in relation to it, or
- (c) entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction), or
- (d) having any equivalent action taken in any jurisdiction,

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

- 11 1 4 a member who is or was previously a director or employee of a member of the Group ceasing to hold such office or employment and as a consequence no longer being a director or employee of any member of the Group and the Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article,
- 11 1 5 a member attempting to deal with or dispose of any Share or any interest in it otherwise than in accordance with these Articles and the Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member, and
- 11 1 6 failure by a member to make a transfer of shares required by **Articles 8.1.1** or **8.2.5** and the Investor Director notifying the Company within 3 months of the matter coming to his attention that such event is a Transfer Event in relation to that member for the purposes of this article
- 11 2 Upon the happening of any Transfer Event, the member in question and any other member who has acquired Shares from him under a permitted transfer pursuant to **Article 8.2** (directly or by means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by them and which in the case of a transferee of shares were the Shares received directly or indirectly from the member who is the immediate subject of the Transfer Event (a "**Deemed Transfer Notice**") A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice

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

earlier, the entry in the register of members of the Company of another person as the holder of those Shares

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

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

11 3 2 subject to **Article 11.4**, the Sale Price shall be a price per Sale Share agreed between the Vendor, the Board and the Investor Director or, in default of agreement, within 21 days after the date of the Transfer Event, the Fair Value,

11 3 3 a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable,

11 3 4 the Vendor may retain any Sale Shares for which Purchasers are not found or, after the expiry of the relevant Offer Notice and with the prior written approval of the Investor Director, sell all or any of those Sale Shares to any person (including any member) as any price per Sale Share which is not less than the Sale Price, and

11 3 5 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event

11 4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within **Article 11.1.4** shall

11 4 1 in the case of a Good Leaver (as defined in **Article 11.5**) be their Fair Value, and

11 4 2 in the case of a Bad Leaver (as defined in **Article 11.5**), be the lesser of their Fair Value and their Issue Price,

11 5 In **Article 11.4**

11 5 1 **"Good Leaver"** refers to a person who ceases to be a director or employee of any member of the Group and as a consequence is no longer a director or employee of any member of the Group and is not a Bad Leaver (or in circumstances where the Board and Finance Wales otherwise agree in writing that he shall be treated as a Good Leaver for the purposes of Article 11 4,

11 5 2 **"Bad Leaver"** refers to any person who ceases to be a director or employee of any member of the Group either before the second anniversary of the adoption of these Articles (other than by reason of death of such person or because such person is suffering from a Critical Illness) or by justified dismissal for gross misconduct (save where such dismissal is appealed and found in favour of the member) at any time and as a consequence is no longer a director or employee of any member of the Group unless otherwise agreed in writing by the Board and Finance Wales

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

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

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

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

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

11 6 5 where a contract of employment or directorship is terminated for any reason other than in the circumstances set out in **Article 11.6.1** to **11 6.4**

above, the date on which the action or event giving rise to the termination occurs

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

12     **VALUATION OF SHARES**

- 12 1     In the event that the Auditors are required to determine the price at which shares are to be transferred pursuant to these articles, such price shall be the amount the Auditors shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation pursuant to this **Article 12** is required), certify in writing to be the price which, in their opinion, represents a fair value for such shares as between a willing vendor and a willing purchaser as at the date the Transfer Notice or deemed Transfer Notice is given. In making such determination, the Auditors shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these articles (and shall assume that the entire issued share capital of the Company is being sold) and comprises only of Ordinary Shares

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

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

13     **COMPLIANCE**

- 13 1     For the purpose of ensuring (i) that a transfer of shares is duly authorised under these articles or that (ii) no circumstances have arisen whereby a Transfer Notice is required to be or ought to have been given under these articles or (iii) whether an offer is required to be or ought to have been made under article 12, the Board may require any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or such

other person as the Board may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant to such purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares from time to time registered in the holder's name.

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

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

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

## GENERAL

## 14 ISSUE OF SHARES

- 14 1 Other than Shares created and issued under an EMI Scheme, all new Equity Shares shall, before they are issued whether for cash or otherwise, be offered for subscription to the registered holders of the Equity Shares (which for these purposes shall be treated as one class of share (in proportion, as nearly as may be, to their respective holdings of Equity Shares
- 14 2 The offer referred to in **Article 14.1** shall be made by notice specifying the number and class of shares offered, the proportionate entitlement of the relevant member, the price per share and limiting a period (not being less than 14 days) "**the First Offer Period**" within which the offer, if not accepted will be deemed to be declined
- 14 3 After the expiration of the First Offer Period, the Board shall offer shares which have been declined or are deemed to have been declined to the persons who have within that period accepted all the shares offered to them. Such further offer shall be on the same terms as the first offer and shall invite each of the holders to state in writing a period "**the Second Offer Period**" of not less than 14 days whether he is willing to take any, and if so what maximum, number of the shares so offered
- 14 4 At the expiration of the Second Offer Period, the Board shall allot the shares so offered to or amongst the persons who have notified their willingness to take such shares and in, the event of competition, in proportion as nearly as may be to the number of Equity Shares held by such persons respectively as the case may be The Board shall make such arrangements as they shall think fit concerning entitlements to fractions, overseas shareholders and shareholders unable by law or regulation to receive or accept any offer pursuant to this Article No member shall be obliged to take more than the maximum number of shares he has indicated his willingness to take
- 14 5 Any shares not accepted by the foregoing procedure shall be at the disposal of the Board who may allot, grant options over, otherwise dispose of them to such persons at such time and generally on such terms and conditions as they determine provided that no shares shall be issued at a discount and provided further that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members
- 14 6 Sections 561, 565, 568 and 570 to 573 of the Act shall not apply to the Company

- 14 7 No shares shall be allotted on the terms that the right to take up the shares the allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a share may direct that such share may be allotted or issued to any other person
- 14 8 Shares issued to a member by reference to his holding of a class of the Equity Shares shall on issue be designated a share of such class and any Equity Share as the Board with the prior approval of Finance Wales Investor Majority shall determine
- 14 9 In Regulation 2 the words "**ordinary resolution**" shall be omitted and the words "**special resolution**" shall be substituted for them
- 14 10 Notwithstanding any other provision of these Articles, the Board shall be bound to offer to each Investor such a proportion of any shares, other than any shares created and issued under an EMI Scheme, forming part of the Equity Share capital of the Company which the Board determine to issue as the aggregate nominal value of Equity Shares for the time being held by such Investor bears to the total issued Equity Shares immediately before the issue of the shares, Any shares issued to an Investor pursuant to such offer shall be issued upon no less favourable terms and conditions than those issued to any other person and so that such shares shall at the request of the Investor be registered in the name or names of any one or more members of its group of companies from time to time

## 15 **GENERAL MEETINGS**

- 15 1 No business shall be transacted at any general meeting unless a quorum of holders is present at the time when the meeting proceeds to business and for its duration Two persons, being holders present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting If a meeting is adjourned under regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for that adjourned meeting, the holders then present shall form a quorum, and regulation 41 of Table A shall be modified accordingly
- 15 2 A poll may be demanded at a general meeting either by the chairman of the meeting or by any holder who is present in person, by proxy or by duly authorised representative (if a corporation) and who, in any such case, has the right to vote at the meeting, and regulation 46 of Table A shall be modified accordingly



16      **WRITTEN RESOLUTIONS**

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

17      **RETIREMENT OF DIRECTORS**

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

18      **REMOVAL OF DIRECTORS**

The office of any Director shall be vacated if

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

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

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

19      **INVESTOR DIRECTOR AND OBSERVER**

19 1      The holders of a majority of the Ordinary Shares from time to time shall appoint at least one person to be a director of the Company (the "**Ordinary Shareholder Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Ordinary Shareholder Director from office

19 2      The members holding a majority of the Preferred Ordinary Shares may from time to time appoint any person to be a director with the title of investor director ("**the Investor Director**" which expression shall, where the context so permits, include a duly appointed alternate of such a director) and from time to time remove the Investor Director from office

- 19 3 There shall not be more than one director bearing the title of Investor Director in office at any time
- 19 4 Any appointment or removal of the Investor Director shall be in writing served on the Company signed by the members holding a majority of the Preferred Ordinary Shares and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier Any such appointment or removal by a corporation may be signed on its behalf by its duly authorised representative
- 19 5 Notice of meetings of the Board shall be served on any Investor Director who is absent from the United Kingdom at the registered office of Finance Wales The third sentence of regulation 88 shall not apply
- 19 6 Upon written request by a majority of the holders of the Preferred Ordinary Shares the Company shall procure that the Investor Director is forthwith appointed as a director of any other member of the Group to any committee of the Board or the board of any member of the Group
- 19 7 Regulation 81(e) shall not apply to the Investor Director or the Chairman
- 19 8 Finance Wales has the right to nominate an observer to attend all meetings of the Board and the Company ("**the Observer**") The Observer shall have the right to attend but not speak (unless invited to do so by the Chairman of such meeting) or vote at such meetings

## 20 **ALTERNATE DIRECTORS**

- 20 1 The appointment by any Investor Director of an alternate director shall not be subject to approval by a resolution of the Board [and regulation 65 of Table A shall be modified accordingly. In regulation 67 of Table A the words "but, if" and the words following them (to the end of that regulation) shall be deleted]
- 20 2 An alternate director shall not be entitled (as such) to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may, by notice in writing to the Company from time to time, direct[, and the first sentence of regulation 66 of Table A shall be modified accordingly]
- 20 3 A Director, or any such other person as is mentioned in regulation 65 of Table A, as modified by **Article 20.1** may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Board (or of

any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for the purpose of determining whether a quorum is present at (and during) any such meeting

## **21 PROCEEDINGS OF DIRECTORS**

21 1 The quorum for meetings of the Board shall be two directors one of whom must be the Investor Director (if appointed)

21 2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other, and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting

21 3 Except with the prior written consent of the Investor Director (or, in the event that there is no Investor Director, the prior written consent of the holder of a majority in nominal value of the Preferred Ordinary Shares), a Director shall not vote on any resolution concerning a matter in which he has, directly or indirectly, any kind of interest or duty whatsoever, save in respect of the matters specified in paragraphs (a) to (d) (inclusive) of regulation 94 of Table A which shall be modified accordingly Reference in regulation 98 to the "Chairman" shall be construed as a reference to the "Investor Director" for so long as one is appointed

## **22 THE SEAL**

22 1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board The Board may determine who shall sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall be signed by a Director and by the secretary or a second Director The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal

22 2 The Company may exercise the powers conferred by section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board

## **23 INDEMNITY**

23 1 Subject to the provisions of the Acts, every Director or other officer of the Company (other than the Auditors) shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by any court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. This **Article 23** shall only have effect in so far as its provisions are not avoided by section 310 of the Companies Act 1985. The Board shall have power to purchase and maintain for any Director or other officer of the Company and the Auditors insurance against any liability which, by virtue of any rule of law, would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.

## **24 BORROWING POWERS**

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to the provisions of the Acts, to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **25 LIEN**

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