

THE COMPANIES ACT 2006

WRITTEN RESOLUTION

of

TISMA MANAGEMENT LIMITED
("Company")

Company No. 07003716

PASSED: 15TH JULY 2010

THURSDAY



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A23

22/07/2010

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COMPANIES HOUSE

CIRCULATION DATE: 15TH JULY 2010

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution be passed as Ordinary and Special resolutions as specified below

ORDINARY RESOLUTION

- 1 THAT the directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("Act") to exercise all the powers of the Company to allot relevant securities (as hereinafter defined) up to an aggregate nominal value equal to £199,998 (comprising 149,998 Ordinary Shares of £1 each and 50,000 A Ordinary Shares of £1 each) to such persons and at such times and on such terms as they think proper provided that such authority shall (unless and to the extent previously revoked, varied or renewed by the Company in general meeting) expire on the expiry of the period of 5 years from the date of passing of this resolution whichever is earlier

SPECIAL RESOLUTIONS

- 2 THAT Clause 5 of the Memorandum of Association be and is hereby deleted
- 3 THAT the pre-emption provisions of the 2006 Act and in the Company's Articles of Association shall not apply to the allotment of the following securities
 - 3 1 74,999 Ordinary Shares of £1 each may be allotted to each of Caspar Thykier and Kirk Ewing, and
 - 3 2 up to 50,000 A Ordinary Shares of £1 each may be allotted to Chrysalis VCT plc
- 4 THAT the existing Articles of Association of the Company be deleted and the regulations attached to this resolution and for identification purposes signed by the Company Secretary or any Director of the Company be and are hereby adopted as the new Articles of Association of the Company with immediate effect

AGREEMENT

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

I, the undersigned, being a person entitled to vote on the resolutions on the Circulation Date hereby irrevocably agree to the resolutions.

STH

JESUS CASTRO SMELTHUR



KIRK MITCHELL

15TH JULY 2010

Signed

Full Name

Date

NOTES

- 1 If you agree to the resolutions, 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 and dated copy to the Company's Secretary at the Company's Registered Office
 - Post returning the signed and dated copy by post to the Company's Secretary at the Company's Registered Office
- 2 If you do not agree to the resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the resolution, you may not revoke your agreement
- 4 Unless, within 28 days of the Circulation Date set out above, sufficient agreement has been received from the required majority of eligible members for the resolutions to be passed, they will lapse Therefore, if you agree to the resolutions, please ensure that your agreement to the resolution reaches the Company within 28 days of the Circulation Date
- 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
- 6 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 of the Company

S. T. G. L.
DIRECTOR OF TISMA

New Articles of Association

-of-

Tisma Management Limited

Incorporated on: 28/08/2009

Company Number: 07003716

(Adopted by special resolution passed on [15TH JULY] 2010)

Izod Evans
The Hop Exchange
24 Southwark Street
London SE1 1TY
Tel: 020 7015 1850
Fax: 020 7015 1851

Company No: 07003716

**COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

NEW ARTICLES OF ASSOCIATION

-of-

TISMA MANAGEMENT LIMITED

(adopted by special resolution passed
on 15TH JULY 2010)

1 Interpretation

- 1.1 Subject as hereinafter provided, the regulations contained in the Model Articles for Private Companies Limited by Shares set out in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008 No 3229) (hereinafter referred to as “**the Model Articles**”) shall, together with the following regulations, constitute the articles of association of the Company.
- 1.2 Regulations 14(1) to 14(5) inclusive, 26(5) and 52 of the Model Articles shall not apply to the Company
- 1.3 In these Articles:
 - 1.3.1 headings are for convenience only and shall not affect the construction hereof,
 - 1.3.2 words and expressions which are defined in the Model Articles shall bear the same meaning when used herein and, unless the context otherwise requires or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification thereof not in force when these Articles were first adopted by the Company),
 - 1.3.3 in the event of any conflict or inconsistency between any provision in the Model Articles which is applicable to the Company and any provision set forth herein the latter shall prevail,
 - 1.3.4 the following words and expressions have the following meanings
 - “**Act**” means the Companies Act 2006 and every statutory modification or re-

enactment thereof and statutory instrument relevant thereto or derived therefrom for the time being in force;

“Articles” means these articles of association as amended from time to time;

“A Shares” means the A Ordinary Shares of £1 00 each in the capital of the Company having rights and privileges as set out in these Articles,

“Associate” has the meaning ascribed thereto in Article 8.1 2

“Controlling Interest” has the meaning ascribed thereto in Article 8.1 4,

“Deferred Shares” means the Deferred Shares of £1.00 each in the capital of the Company having rights and privileges as set out in these Articles;

“Directors” means (unless the context does not admit) the directors for the time being of the Company as a body, or a quorum of directors present at a meeting of the directors;

“Equity Shares” means the A Shares and the Ordinary Shares (but not the Deferred Shares) and the expression **“Equity Share Capital”** shall be construed accordingly;

“Fund” means any bank, investment trust or investment company (within the meaning of Chapter 21, Sections 9 and 10 of the rules governing admission of securities to listing issued by the United Kingdom Listing Authority), unit trust, building society, industrial provident or friendly society, any other collective investment scheme (as defined by the Financial Services and Markets Act 2000 (**“FSMA”**)), any business investor, partnership, limited partnership, pension fund, venture capital trust or insurance company or any person who is an authorised person under the FSMA, any subsidiary undertaking of any of the foregoing and any co-investment scheme in relation to any of the foregoing,

“Group” means the Company and (wherever registered) any subsidiary of the Company,

“Group Company” means a company within the Group,

“Institutional Investor” means:

- (a) any person whose business is (whether in whole or in part) to make, manage or advise upon investments or any Fund;
- (b) any company which is a member of the same group as any such person as is referred to in paragraph (a) above; or
- (c) any nominee for any such person or company;

“Investor” means, for the purposes of these Articles, Chrysalis VCT plc a limited company registered in England under number 4095731 whose registered office is at Kings Scholars House, 230 Vauxhall Bridge Road, London SW1V 1AU;

“Investor Associate” means any person to whom the Investor transfers any Shares

(or interest therein) pursuant to Article 6 5,

“Investment Agreement” means the Investment Agreement signed between the Company, the Investor and the Executives (as named therein) on the same date as these Articles are adopted by the Company;

“Investor Consent” means the prior written consent of the holders of more than one half of the issued A Shares for the time being,

“Mandatory Transfer Notice” means a Transfer Notice (as such expression is defined in Article 7) which a Member is bound to give or is deemed to have given pursuant to any of the provisions of these Articles,

“Member” means any holder for the time being of shares (of whatever class) in the capital of the Company;

“Ordinary Shares” means the Ordinary Shares of £1.00 each in the capital of the Company having rights and privileges as set out in these Articles,

“Qualifying Offer” has the meaning ascribed to it in Article 8.5,

“Shares” means (unless the context does not admit) shares in the capital of the Company of whatever class; and

“Shareholder” means a holder of Shares.

- 1.4 A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act.

2 Share capital

- 2.1 The Company has the power to issue the following classes of shares.

- (a) A Ordinary Shares of £1.00 each.
- (b) Ordinary Shares of £1.00 each.
- (c) Deferred Shares of £1.00 each.

- 2.2 The A Ordinary Shares, Ordinary Shares and Deferred Shares shall constitute separate classes of shares having the rights and privileges set out in these Articles

3 Share rights

The rights and privileges attached to the respective classes of Shares shall be as follows:

- 3.1 *As regards income*

- 3.1.1 Subject to the provisions of the Act, any profits of the Company which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the Equity Shares *pari passu* as if the same constituted one class of

share in such amounts and on such terms as are determined in accordance with these Articles

- 3.1.2 The Deferred Shares shall not carry any rights to receive income or dividends from the Company.

3.2 *As regards capital*

- 3.2.1 In the event of a return of capital on the liquidation or winding up of the Company or otherwise (except on the redemption of shares of any class or the purchase by the Company of its own shares), the surplus assets of the Company remaining after the payment of its liabilities shall be distributed among the holders of the Equity Shares in proportion to the number of Equity Shares held by them.

- 3.2.2 A Deferred Share shall not confer on the holder thereof any right to participate in any return of capital beyond the right to repayment of the lesser of (i) the amount paid up on such shares and (ii) its par value.

3.3 *As regards voting*

- 3.3.1 Subject as provided in Article 7.13, each A Share and each Ordinary Share shall confer on the holder thereof (in that capacity) the right to receive notice of and to attend speak and cast one vote at all General Meetings of the Company.

- 3.3.2 The Deferred Shares shall carry no right to receive notice of or to attend or vote at any general meeting of the Company

3.4 *As regards class consents*

Except with Investor Consent:

- (a) the Company shall not modify or vary the rights attaching to any class of shares in the Company,
- (b) the Company shall not pass any resolution for reducing its issued share capital or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve or for reducing any uncalled liability in respect of partly paid shares,
- (c) the Company shall not purchase or redeem any Shares,
- (d) the Company shall not make any distribution payment or return to Members of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (e) the Company shall not capitalise any undivided profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve,

- (f) no Group Company shall vary or permit any variation in its authorised or issued share capital or create or grant any option or other rights to subscribe for shares or securities convertible into shares in the capital of any Group Company or any such subsidiary or make any payment to any person (whether or not a Member) for giving up his right to any share capital on its cancellation or extinguishment;
- (g) no Group Company shall alter its memorandum or articles of association or, in the case of any overseas subsidiary, its equivalent documents,
- (h) no steps shall be taken to have any Group Company wound up whether for the purposes of amalgamation or reconstruction or otherwise unless a licensed insolvency practitioner shall have advised that such company is required to be wound up by reason of having become insolvent

4 Variation of class rights

- 4.1 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 with the consent in writing of the holders of 75% in nominal amount of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class, but not otherwise. All the provisions of these Articles relating to general meetings of the Company or proceedings thereat shall, mutatis mutandis, apply to every such separate meeting, except that the necessary quorum shall be such person or persons holding or representing it by proxy at least one third in nominal amount of the issued shares of that class, so that if at any adjourned meeting of such holders a quorum as above defined is not present, any member or members who are present shall be a quorum, and the holders of shares of each class shall, on a poll, have one vote in respect of every share of the class held by them respectively.
- 4.2 Save with Investor Consent, the rights attached to the Deferred Shares may not be varied or abrogated under any circumstances

5 Ratchets

- 5.1 In this Article 5:
 - 5.1.1 **“the first period”** means the period beginning on the date of adoption of these Articles and ending at Midnight on the third anniversary thereof,
 - 5.1.2 **“the second period”** means the period beginning on the day after the expiry of the first period and ending at Midnight on the day which is 42 calendar months from and including the date of adoption of these Articles; and
 - 5.1.3 **“the third period”** means the period beginning on the day after the expiry of the second period and ending at midnight on the fourth anniversary of the date of adoption of these Articles.

- 5.2 In the event of there being a proposed transfer of a Controlling Interest by no later than Midnight on the fourth anniversary of the date of adoption of these Articles and the holders of the A Shares proposing to sell all such shares to the Buyer (as defined in Article 8.1.3) then in the circumstances set out below (immediately prior to but conditionally on, such sale taking place) the percentage of the total issued Equity Share Capital held by holders of the A Shares (as a body) (the “**Relevant Holding**”) shall be reduced by converting some of the A Shares into Deferred Shares (“**Conversion**”).
- 5.3 The percentage by which the Relevant Holding shall be reduced and the number of A Shares (if any) to be converted as referred to above (“**converted**”) shall be determined by (i) the number of A Shares subscribed for by the Investor under the Investment Agreement (ii) reference to the date on which a Buyer acquires a Controlling Interest (the “**Sale Date**”) and (iii) the Sale Price (determined as referred to in Article 5.8 below).
- 5.4 If the Sale Date falls during the first period and the Sale Price is in excess of £5 million then Conversion shall take place and the percentage by which the Relevant Holding shall be reduced and the number of A Ordinary Shares to be converted shall be determined as provided in the table below:

Sale Price	Percentage by which Relevant Holding will reduce	
	<i>50,000 A Shares subscribed for by the Investor</i>	<i>35,000 A Shares subscribed for by the Investor</i>
£5,000,000	Nil	Nil
Not less than £5,250,000	1%	0.7%
Not less than £5,500,000	2%	1.4%
Not less than £5,750,000	3%	2.1%
Not less than £6,000,000	4%	2.8%

- 5.5 If the Sale Date falls during the second period and the Sale Price is in excess of £7 million then Conversion shall take place and the percentage by which the Relevant Holding shall be reduced and the number of A Ordinary Shares to be converted shall be determined as provided in the table below:

Sale Price	Percentage by which Relevant Holding will reduce	
	<i>50,000 A Shares subscribed for by the Investor</i>	<i>35,000 A Shares subscribed for by the Investor</i>
£7,000,000	Nil	Nil

Not less than £7,300,000	1%	0.7%
Not less than £7,600,000	2%	1.4%
Not less than £7,950,000	3%	2.1%
Not less than £8,350,000	4%	2.8%

- 5.6 If the Sale Date falls during the third period and the Sale Price is in excess of £8.75 million then Conversion shall take place and the percentage by which the Relevant Holding shall be reduced and the number of A Ordinary Shares to be converted shall be determined as provided in the table below:

Sale Price	Percentage by which Relevant Holding will reduce	
	<i>50,000 A Shares subscribed for by the Investor</i>	<i>35,000 A Shares subscribed for by the Investor</i>
£8,750,000	Nil	Nil
Not less than £9,100,000	1%	0.7%
Not less than £9,500,000	2%	1.4%
Not less than £9,900,000	3%	2.1%
Not less than £10,400,000	4%	2.8%

- 5.7 If the target price set out in the first column of the table set out in Article 5.4, 5.5 or 5.6 (as applicable) is achieved or exceeded then such number of A Shares shall (immediately prior to but conditionally on, such sale taking place) be converted into Deferred Shares as is required to reduce the percentage that the total issued A Shares represent of the total issued Equity Shares by the corresponding percentage specified in column 2 or 3 (as the case may be). For the avoidance of doubt, the Relevant Percentage shall only be reduced once and the maximum percentage by which it can be reduced under the provisions of this Article 5 is 4% or 2.8% depending on the number of A Shares subscribed for by the Investor under the Investment Agreement.

- 5.8 For the purposes of this Article the “Sale Price” means:

- 5.8.1 if the Buyer is acquiring all the Company’s issued share capital, the gross aggregate amount paid or payable by the Buyer to all of the Shareholders for the same (whether in one or several instalments) and including any deferred, non-cash and/or contingent consideration and/or any other consideration (in cash or otherwise) received or receivable by any of the Shareholders which having regard to the substance of the

transaction can be reasonably regarded as an addition to the price paid for the Company's shares, but excluding the value of any debt repaid as part of the Sale; or

- 5.8.2 if the Buyer is acquiring less than all such share capital, the amount which it would have paid if it had acquired such share capital as it is not acquiring at the same price per share (calculated using the principles specified in Article 5.8.1 above) as that part of the share capital which it does acquire
- 5.9 In the event that the terms on which Equity Shares are being sold to a Buyer include arrangements for the payment of the price other than in full in cash on completion of such sale then the Company and the Members will, acting in good faith, use all reasonable endeavours to agree arrangements as necessary to give effect to their intentions relating to Conversion as referred to above.
- 5.10 If any disputes arise in relation to any financial amounts or calculations which are relevant for the purposes of this 5, then the Directors shall appoint a chartered accountant nominated by the President of the ICAEW to determine such dispute and in regard thereto the provisions in the first sentence of Article 7.4 shall apply. The costs of any such accountant shall be borne amongst the Shareholders (immediately prior to the Sale Date) in such proportions as he shall direct.
- 5.11 The ratchets set out in Articles 5.4, 5.5 and 5.6 shall only apply for so long as the Relevant Holding is not less than 25% or (if the Investor has only subscribed for 35,000 A Shares under the Investment Agreement) not less than 17.5%. If after the date of adoption of these Articles the Company issues any further Shares (other than A Shares subscribed for by the Investor under the Investment Agreement), or any other alteration in the share or loan capital of the Company occurs, which causes the Relevant Holding to fall below 25% or 17.5% (as applicable) the Members shall endeavour to agree in good faith such pro rata adjustments to the ratchets contained in Articles 5.4, 5.5 and 5.6 as are necessary to reflect the reduction in the Relevant Holding and to give effect to the Members' intentions relating to the respective return to the holders of the A Shares and the Ordinary Shares on a sale of a Controlling Interest and the achievement of the target Sale Price.
- 5.12 In the event any dispute arises in relation to any adjustment to be made under Article 5.11 the provisions of Article 5.10 shall apply to such dispute

6 Transfer of Shares: general

- 6.1 The instrument of transfer of any Share shall be executed by or on behalf of the transferor. In the case of a Part Paid Share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register of Members in respect of it.
- 6.2 The Directors may refuse to register the transfer of any Share to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or Court approval

- 6.3 The Directors shall refuse to register the transfer of any Share, not being such a transfer as is permitted under Article 6.5 (a "**Permitted Transfer**"), purported to be made other than in accordance with or as permitted under Article 7
- 6.4 If, in relation to a transfer of any Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors may
- 6.4.1 require the transferee of such Share to enter into a written undertaking to be bound (to such extent as the Directors may reasonably stipulate) by the provisions of such agreement, and
- 6.4.2 decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking
- 6.5 *Permitted Transfers*
- Subject to Articles 6.2 and 6.4 and to Article 8.2, a Member may at any time transfer any Share:
- 6.5.1 if the Member is a company to any holding or subsidiary company of that Member or to any other subsidiary company or any such Member's holding company,
- 6.5.2 to a person who is the beneficial owner of such Share or to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof in circumstances where a Mandatory Transfer Notice should have been but was not given, or
- 6.5.3 if the Member is an individual (subject as provided in Articles 6.2 and 6.6) to an Associate as defined in Article 8.1.2(a) and (b) PROVIDED THAT (i) in this case the Shares (including the full beneficial ownership and all other interests therein and rights attached thereto) shall be re-transferred within seven days to the transferor if the transferee is not or shall cease to be an Associate of the transferor (as so defined) failing which a Mandatory Transfer Notice shall be deemed to have been served and (ii) in the case of any transfer to a child of less than 18 years of age any such transfer must be to a nominee (being more than 18 years of age) on behalf of such child; or
- 6.5.4 to a Buyer pursuant to the provisions of Article 8 provided that pursuant to or prior to or contemporaneously with such transfer the Buyer has duly acquired or will duly acquire a Controlling Interest, or
- 6.5.5 with the prior written consent in writing of the holders of not less than 80% of the Equity Shares and Investor Consent.
- 6.6 *Limit on permitted transfers*
- 6.6.1 Save with Investor Consent, no such transfer as is referred to in Article 6.5.3 may extend to a number of Ordinary Shares such that the transferor (if such transfer was made) would have (after taking into account any previous transfer(s) pursuant to Article 6.5.3) transferred more than 50 per cent of the total number of Ordinary Shares originally held by such transferor.

6.7 *Directors to register transfers*

6.7.1 The Directors shall subject the provisions of this Article 6 and to any stamping requirements register any transfer of a Share which is a Permitted Transfer or made in accordance with Articles 7 or 8 but may in their absolute discretion and without assigning any reason therefor, decline to register any transfer of any Share which would otherwise be permitted if it is a transfer

- (a) of a Share on which the Company has a lien, and/or
- (b) of a Share (not being a fully paid Share) to a person of whom they shall not approve.

If they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless the Directors suspect that the proposed transfer may be fraudulent.

6.8 *Effect of transfer notice on permitted transfers*

Unless all the other Members consent in writing, no Member may transfer any Share under these Articles from the date on which any Transfer Notice (as defined in Article 7) is given or deemed or required to have been given in respect of such Share until such time as no other Member has any further rights or obligations, directly or indirectly in relation to the Shares comprised in such notice.

7 **Share transfers: pre-emption provisions**

7.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share in the Company (an option or other like rights to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.

7.2 Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching thereto the person proposing to transfer or dispose of the same (a **"Proposing Transferor"**) shall give a notice in writing (a **"Transfer Notice"**) to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, the Shares referred to therein, the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the **"Sale Shares"**) at the Sale Price during the Prescribed Period (as those terms are hereinafter defined) and in accordance with the provisions of this Article 7. Except in the case of a Mandatory Transfer Notice, a Transfer Notice may include a condition (a **"Total Transfer Condition"**) that if all the Sale Shares (of whatever class) are not sold to Members and/or such other persons as are referred to in Article 7.5 below, then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall

be made subject to Article 7.7 below. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice). A Mandatory Transfer Notice shall not be revocable. Any other Transfer Notice shall not be revocable except with the written consent of the Directors and Investor Consent

- 7.3 In the case of a Transfer Notice (including a Mandatory Transfer Notice):
- 7.3.1 if not more than 30 days (or such longer period (if any) as the Directors shall allow for this purpose) after the date on which the Transfer Notice was given or was deemed or required to be given the Proposing Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor and not more than the fair value thereof then such price shall be the Sale Price (subject to the deduction therefrom of any net dividend or other distribution declared or made after such agreement and prior to the said date) and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire two months thereafter; or
- 7.3.2 failing such agreement, upon the expiry of such 30 day period (or such longer period (if any) as aforesaid) (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall instruct an independent valuation expert experienced in valuing companies of a similar kind nominated by the President for the time being of the ICAEW ("**the Valuer**") to determine and report the sum per Share considered by him or her to be the fair value of the Sale Shares and the sum per Share so determined and reported shall be the Sale Price and the Prescribed Period shall commence on the date on which the Valuer shall so determine and report and shall expire two months thereafter.
- 7.4 For the purposes of Article 7.3.2, the Valuer shall act as an expert and not as an arbitrator and his or her determination shall be final and binding on the Company and all of its Members. For the purposes of this Article 7, the fair value of the Sale Shares shall be determined by the Valuer as at the date when the relevant Transfer Notice or Mandatory Transfer Notice was given or deemed or required to have been given and on the following assumptions and bases:
- 7.4.1 The Valuer shall determine the market value of the Sale Shares as between a willing buyer and a willing seller at arms' length.
- 7.4.2 If the Company is carrying on a business as a going concern, the Valuer shall assume that it will continue to do so
- 7.4.3 The Valuer shall assume that the Sale Shares are capable of being transferred without restriction
- 7.4.4 The Sale Shares are to be valued as a rateable proportion of the total market value of all the issued Shares of the same class without any discount being made by reason of such Shares (if such be the case) constituting a minority holding.
- 7.4.5 The Valuer in reaching his or her determination as to the fair value of the Sale Shares shall also reflect any other factors which he or she acting reasonably believes should be taken into account.

- 7.5 As soon as practicable following the agreement or determination of the Sale Price, the Company shall offer the Sale Shares in writing first to the holders for the time being (other than the Proposing Transferor or any of his Associates) of Equity Shares of the same class (that is to say Ordinary Shares or A Shares as the case may be) and next (if and insofar as not accepted following such offer) to the holders for the time being (other than as aforesaid) of Equity Shares of the other class and next (if and so far as not accepted following such offer) to such person or persons (if any) as the Directors think fit, PROVIDED THAT the Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has given or been deemed or is required to have given a Transfer Notice on or prior to the date on which any such offer as referred to above is made
- 7.6 Any such offer as is required to be made by the Company pursuant to Article 7.5 shall limit a time (not being less than 21 days nor more than 30 days) after such offer is made within which it must be accepted or in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion as nearly as possible to the number of Shares of the relevant class held by each acceptor (or in the case of any such offer made to persons who are not already Members on such basis as the Directors shall determine) PROVIDED THAT no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this Article 7.6 shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.
- 7.7 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless and until such condition is satisfied.
- 7.8 If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions, find Members or other persons (hereafter called "**Purchasers**") to purchase some or (if Article 7.7 shall apply) all the Sale Shares and shall give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the sale and purchase of the Sale Shares shall be completed at a place and time to be appointed by the Directors not being less than three days and no more than 10 days after the date of such notice.
- 7.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person

- 7 10 If by the foregoing procedure the Company shall not, prior to the expiry of the Prescribed Period, find Purchasers willing to purchase some or (if Article 7 7 shall apply) all the Sale Shares and shall give notice in writing thereof to the Proposing Transferor, the Proposing Transferor at any time thereafter up to the expiration of two calendar months from the date of such notice shall, subject as hereinafter provided, be at liberty to transfer those of the Sale Shares not purchased by Purchaser(s) or all the Sales Shares (as the case may be) to any one person or persons on a bona fide sale at any price not being less than the Sale Price; PROVIDED ALWAYS THAT:
- 7.10 1 if the Transfer Notice shall contain a Total Transfer Condition the Proposing Transferor shall not be entitled to transfer any of the Sale Shares unless in aggregate the whole of such Sale Shares are transferred to Purchaser(s), and
- 7.10.2 the Directors may require the Proposing Transferor to evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the instrument of transfer without any deduction, rebate, allowance or indulgent terms whatsoever to the Purchaser(s) thereof and if not so satisfied may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out in Article 7.13 1(b) below in respect of such Shares as shall have been so sold.
- 7.11 No Share and no interest or right in or arising from any Share may be sold, transferred or otherwise disposed of to any person unless a transfer of such Share or interest or right to such person would rank as a Permitted Transfer or as a transfer permitted pursuant to the foregoing provisions of this Article 7. If the foregoing provisions shall be infringed the holder of the Shares concerned shall, unless the Directors otherwise determine, be deemed to have given, on the date on which the Directors become aware of such infringement, a Mandatory Transfer Notice in respect of all the Shares of which such person and any Associate(s) of such person is then the holder.
- 7 12 *Mandatory Transfers*
- 7 12 1 If any person becomes entitled to any Shares in consequence of the bankruptcy or liquidation of a Member or (other than in circumstances where Article 7.12 2 applies) death of a Member then a Mandatory Transfer Notice or Notices shall be deemed to have been given on the date on which the Directors became aware that such entitlement has arisen in respect of all the Shares held by the Member and any Associate(s) of such Member. This provision shall not apply to Institutional Investors and their Associates.
- 7.12.2 If at any time any person (not being a person appointed as a Director by an Institutional Investor) shall cease to be a Director of, employee of, or consultant to, any Group Company (for whatever reason including death), and such person and/or any Associate(s) of such person shall be (a) Member(s) of the Company, then (unless Investor Consent to the contrary is forthcoming at the relevant time) there shall be deemed to have been given on the date of such cessation a Mandatory Transfer Notice in respect of all the Shares then held by such person and any Associate(s) of such person.

- 7.12.3 If any person who is deemed to have given a Mandatory Transfer Notice pursuant to Article 7.12.2 is a “bad leaver” (as defined below) (or an Associate of a bad leaver) then, notwithstanding any provisions of these Articles to the contrary, the Sale Price for the relevant Sale Shares shall be the lower of their value determined as provided in Articles 7.3 and 7.4 and the original subscription price paid for such Shares.
- 7.12.4 For the purposes of Article 7.12.3 the expression “**bad leaver**” means an individual whose employment by (or consultancy with) a Group Company terminates by virtue of (i) his (of his own volition, but for the avoidance of doubt other than by virtue of death or permanent incapacity) leaving such employment (or consultancy) (whether or not after giving and/or working out the notice required to be given by him in order to terminate the same) without Investor Consent; or (ii) his justified summary dismissal by a Group Company by reason of his being in breach of his employment (or consultancy) contract.
- 7.12.5 If at any time any former Director or former employee or former consultant of or to any Group Company shall (after ceasing to be such a Director, employee or consultant) acquire (or any Associate of any such person shall acquire) any Shares pursuant to an option or other like right which was granted to him prior to such cessation then the foregoing provisions in this Article 7.12 shall apply to such Shares (as if reference in Article 7.12.2 to “the date of such cessation” was reference to the date on which the relevant person acquires such Shares)
- 7.12.6 If a corporation (not being an Institutional Investor) which is a holder and/or beneficial owner of any Share in the Company ceases to be controlled by the person or persons who were in control of the corporation at the time when such corporation became such holder and/or beneficial owner, it shall, within seven days of such cessation of control, give notice in writing to the Company of that fact and there shall be deemed to have been given as from the date on which the Directors became aware of such cessation a Mandatory Transfer Notice in respect of all the Shares held and/or owned by such corporation and any Associate(s) of such corporation. For the purposes of this provision “**control**” shall carry the same meaning as in Section 840 of the Income and Corporation Taxes Act 1988.
- 7.12.7 If a person in whose favour a Permitted Transfer of Shares was made pursuant to Article 6.5 (being, at the time when the transfer was made, an Associate of the person transferring the Shares (the “**Original Transferor**”)) shall cease to be an Associate of the Original Transferor, then upon such date (the “**Cessation Date**”) he shall immediately give notice in writing to the Company of that fact and unless the relevant Shares are transferred back to the Original Transferor, or to a person to whom the Original Transferor would be permitted to transfer the Shares pursuant to Article 6.5, within seven days of the Cessation Date, then upon the day after the expiry of such seven day period there shall be deemed to have been given a Transfer Notice in respect of the relevant Shares. This provision shall not apply to Institutional Investors.

7.13 *Miscellaneous*

- 7.13.1 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or deemed to be given hereunder, the Directors may from time to time require any Member or the

personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any Associate of any of the forgoing to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled

- (a) to refuse to register the transfer in question or, in the case where no transfer is in question, to require by notice in writing that a Transfer Notice be given by the holders of the relevant Shares in respect of all such Shares. If such information or evidence discloses 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 or state that a Mandatory Transfer Notice shall be deemed to have been given by the holders of those Shares and/or their Associates in respect of all such Shares, and/or
- (b) to serve upon the holder(s) of the Shares in question a notice (a **“Disenfranchisement Notice”**) stating that such Shares shall as from the date of service of such Disenfranchisement Notice on such holder no longer confer any right to attend, speak or vote at any General Meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution until such time as the Directors shall think fit and, as from such date, such Shares shall no longer confer any such rights accordingly

7.13.2 In any case where the Directors have duly required a Transfer Notice to be given in respect of any Shares or any one or more Members have become bound to give a Transfer Notice and such Transfer Notice is not duly given within a period of one calendar month (or such longer period (if any) as the Directors may allow for the purpose) a Mandatory Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such Shares shall have been lodged), be deemed to have been given on such date or after the expiration of such period as the Directors may by resolution determine and the provisions of this Article 7 relating to the transfer of Shares shall apply accordingly

7.13.3 The Directors shall also be entitled to serve a Disenfranchisement Notice (as defined in and having the effect as stated in Article 7.13 1(b)) on the holders of any Shares which are for the time being the subject of a Transfer Notice (including a Mandatory Transfer Notice) but such notice shall have effect only for so long as such Shares remain the subject of a Transfer Notice

8 Transfer of a Controlling Interest

8.1 For the purposes of this Article 8 the following expressions have the following meanings.

8.1.1 **“acquire”** means to be or become the legal or beneficial owner of Shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of Shares or otherwise and whether all at one time or not.

8.1.2 **“Associate”** means

- (a) the spouse or child (including adopted child) of the relevant person, or
- (b) the trustees of any settlement (whether or not set up by the relevant person) under which the relevant person and/or his spouse or children is or is capable of being a beneficiary; or
- (c) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person; or
- (d) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company; or
- (e) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1998; or
- (f) any person with whom the relevant person is acting in concert (such expression to have the same definition and meaning that is ascribed thereto in the City Code on Takeovers and Mergers as for the relevant time being current).

8.1.3 **"Buyer"** means a person and any Associate(s) of such person (in each case whether or not an existing Member of the Company) who wishes or agrees to acquire Shares.

8.1.4 **"Controlling Interest"** means Shares (or the right to exercise the votes attaching to Shares) which confer in aggregate more than 50 per cent of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all General Meetings

8.1.5 **"Prescribed Price"** shall, in relation to Equity Shares, mean a price per Equity Share which is the higher of.

- (a) the highest price which, at the time of making the Offer (as referred to below), the Buyer has agreed to pay or is prepared to offer to pay any holder(s) of Equity Shares; and
- (b) the highest price at which the Buyer has acquired any Equity Shares in the period of 12 months prior to the date on which the relevant Offer is made, and

in relation to the Deferred Shares, means a price per Deferred Shares of £0.001.

8.2

8.2.1 Notwithstanding anything to the contrary contained in these Articles, no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Shares (or any interest) if, as a result, a Buyer would acquire a Controlling Interest in the Company unless and until the Buyer has first made an offer (in accordance with Article 8.3) to all the holders of Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them at the Prescribed Price per Share their entire holdings of Shares in the capital of the Company.

- 8.2.2 In addition no Buyer shall be entitled or permitted to acquire a Controlling Interest unless, save only if the holders of the A Shares agree otherwise at the relevant time, on completion of any sale the Buyer repays or procures to be repaid in full all amounts then owing by the Company to such holders by way of loan (inclusive of interest and premium)
- 8.3 Any such offer as is referred to in Article 8.2 (an **"Offer"**) must be made in writing, must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days, must not contain any requirement for any person to whom the same is made to give any representation, warranties or undertakings other than as to their capacity and capability to sell the relevant Shares and all rights thereto and interest therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Buyer so wishes, that acceptance must be received for a specified percentage of the Shares in respect of which the Offer is made
- 8.4 If within 60 days of making the Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest thereafter unless and until he has made a further Offer.
- 8.5 If a Buyer makes an offer to acquire all the Equity Shares which complies with this Article 8 and which is approved in writing by Shareholders representing not less than 55 per cent of the voting rights attached to all the issued shares in the capital of the Company and this 55 per cent includes the Equity Shares held by the Investor (but not otherwise) (a **"Qualifying Offer"**) then the Buyer may give written notice (a **"Drag Along Notice"**) to those Members who have not accepted the Qualifying Offer requiring them to do so. Each of such non-accepting Members shall upon the giving of a Drag Along Notice:
- 8.5.1 be deemed to have accepted the same in respect of all the Shares held by him in accordance with the terms of the Qualifying Offer, and
 - 8.5.2 become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same
- 8.6 If any such non-accepting Member as is referred to in Article 8.5 shall not, within 14 days of becoming required to do so, execute transfer(s) in respect of all the Shares held by such Member, then the Directors shall be entitled to, and shall, authorise and instruct such person(s) as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Member) of the purchase moneys payable for the relevant Shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder of the Shares the validity of such proceedings shall not be questioned by any person
- 8.7 A Buyer may also serve a Drag Along Notice upon any person who becomes a Member after completion of the acquisition of a Controlling Interest upon exercise of rights granted prior to completion of such acquisition and Articles 8.5 and 8.6 shall apply accordingly

- 8.8 In calculating the Prescribed Price for the purposes of Article 8.1.5 there shall be brought into account any other consideration (in cash or otherwise) including any deferred or contingent consideration received or receivable by any Member or former Member (or any Associate of such Member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the Shares in question. The cash value of any non-cash consideration shall be determined by a Valuer in accordance with the provisions of Articles 7.3 and 7.4
- 8.9 Any dispute concerning the calculation of the Prescribed Price for the purposes of Article 8.1.5 shall be referred to a Valuer (as defined in Article 7.3.2) who shall act as an expert and not as an arbitrator and whose decision shall be final and binding and whose costs shall unless he determines otherwise be borne by the Company.
- 8.10 For the purpose of ensuring:
- 8.10.1 that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this Article 8 (and to that end for the purpose of determining whether one person is an Associate of another); or
- 8.10.2 that a price offered or proposed to be offered for any Shares is the Prescribed Price;

the Directors may from time to time require any Member to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant for such purposes.

9 Appointment of Directors

- 9.1 Either the Company by Ordinary Resolution or the Directors may appoint a person who is willing to act to be a Director, provided that the appointment does not cause the number of Directors to exceed any maximum number fixed in accordance with these Articles
- 9.2 Notwithstanding any limitation on the number of Directors imposed by these Articles, for as long as the Investor or any of its Investor Associates holds or is interested in any Shares the Investor shall be entitled by serving written notice on the Company to appoint as a Director one person (such person to be an “**Investor Director**”) and remove from office any Investor Director so appointed and to appoint another in his place. Any notice served on the Company under this Article 9.2 shall take effect immediately upon receipt by the Company
- 9.3 An Investor Director shall be paid such reasonable remuneration for his services as may be agreed between himself and the Company from time to time

10 Proceedings of Directors

- 10.1 A Director shall be regarded as present at a meeting of the Directors and shall be entitled to participate therein if, by means of a telephone or other communications equipment, he and those physically present can hear each other and any Director so deemed to be present shall be counted for the purposes of determining whether or not a quorum is present.

- 10.2 The quorum necessary for the transaction of the business of the board of Directors shall be two Directors. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.
- 10.3 For so long as the Investor or any of its Investor Associates holds any Shares, the Investor shall be entitled to have one person attend on its behalf as an observer at all meetings of the board of directors of any Group Company. Such observer shall be entitled to speak, but not vote, at such meetings of the directors of the relevant Group Company.
- 10.4 Subject to disclosure in accordance with Section 177 of the Act, a Director may vote in respect of any contract or arrangement in which he, or any person with whom he is connected, is interested and be counted in the quorum present at any meeting of the Directors or, if otherwise so entitled, at any General Meeting of the Company at which any such contract or arrangement, is proposed or considered, and if he shall so vote, his vote shall be counted.

11 Compliance by subsidiaries

- 11.1 The Company shall procure that no subsidiary undertaking of the Company shall do or permit to be done any act, matter or thing in relation to which Investor Consent is required to be obtained under these Articles.

12 Indemnity

- 12.1 Subject to and to the fullest extent permitted by the Act, but without prejudice to any indemnity to which he may be otherwise entitled
- 12.1.1 every Director and alternate Director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether civil or criminal) which relate to anything done or omitted or alleged to have been done or omitted by him as a Director or alternate Director save that no Director or alternate Director shall be entitled to be indemnified:
- (a) for any liability incurred by him to the Company or any associated company of the Company (as defined by s.256 of the Act for these purposes);
 - (b) for any fine imposed in criminal proceedings which have become final;
 - (c) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
 - (d) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
 - (e) for any costs for which he has become liable in defending any civil proceedings brought by the Company or an associated company in which a final judgment has been given against him, and

- (f) for any costs for which he has become liable in connection with any application under sections 661(3) or (4) or 1157 of the Act in which the court refuses to grant him relief and such refusal has become final.

12.1.2 every Director and alternate Director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a Director or alternate Director, provided that he will be obliged to repay such amounts no later than

- (a) in the event he is convicted in proceedings, the date when the conviction becomes final;
- (b) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
- (c) in the event of the court refusing to grant him relief on any application under sections 661(3) or (4) or 1157 of the Act, the date when the refusal becomes final

12.1.3 every Director and alternate Director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any of the Company's activities as trustee of an occupational pension scheme (as defined in s.235(6) of the Companies Act 2006) save that no Director or alternate Director shall be entitled to be indemnified

- (a) for any fine imposed in criminal proceedings which have become final;
- (b) for any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising; and
- (c) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final.