

Company Number. 07452872

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

- of -

BLACKLEY HOLDINGS LIMITED

("the Company")

Passed 8 December 2010

The following written resolutions of the Company were passed on the above date in accordance with Chapter 2 of Part 13 of the Companies Act 2006

- 1 THAT by **Special Resolution** the articles of association of the Company in the form annexed hereto be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company



DIRECTOR

**Companies Act 2006 s172 Duty to promote the success of the company**

(1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company

(2) Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes

(3) The duty imposed by this section has effect subject to any enactment or rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company

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COMPANIES HOUSE

**THE COMPANIES ACTS 1985, 1989 & 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

**BLACKLEY HOLDINGS LIMITED**  
Company No 7452872

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**ARTICLES OF ASSOCIATION**

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Adopted by Written Resolution of the Company dated 8 December 2010

**LAYTONS**  

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**SOLICITORS**

**GUILDFORD**



**LONDON**



**MANCHESTER**

[www.laytons.com](http://www.laytons.com)

**THE COMPANIES ACTS 1985, 1989 & 2006**

**PRIVATE COMPANY LIMITED BY SHARES**

**BLACKLEY HOLDINGS LIMITED**

Company No 7452872

**ARTICLES OF ASSOCIATION**

**1 PRELIMINARY**

1 1 The regulations contained in Table A as prescribed by the Companies (Tables A to F) Regulations 1985 (as amended) made under the Act in force at the date of adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company insofar as these Articles do not exclude or modify Table A. Any reference herein to any regulation is to that regulation as set out in Table A.

1 2 In these Articles, the following words and expressions have the following meanings:

"2006 Act"	the Companies Act 2006 including any statutory modifications or re-enactments thereof for the time being in force
"A Ordinary Shares"	the A ordinary shares of 10p each in the capital of the Company
"Act"	the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force
"acting in concert"	has, at any time, the meaning set out in the current edition of The City Code on Takeovers and Mergers at that time
"Auditors"	means a suitably qualified independent professional valuer agreed between the Company, RisingStars and NWBIS or in default of agreement such firm of independent chartered accountants appointed on the application of the Company, RisingStars or NWBIS by the President for the time being of the Institute of Chartered Accountants in England and Wales
"Bad Leaver"	for the purposes of Article 15, refers to any 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 who is not a Good Leaver
"Board"	the board of Directors of the Company for the time being

<b>“Business Day”</b>	a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday)
<b>“Change of Control”</b>	the acquisition whether by purchase, transfer, renunciation or otherwise of shares in the Company as a result of which any person or persons Connected with each other or persons acting in concert with each other (in each case other than as a result of a transfer permitted under Article 12) would obtain control over that number of shares in the Company which in aggregate confers greater than 50% of the voting rights normally exercisable at General Meetings of the Company
<b>“Connected”</b>	has the meaning given by Section 1122 of the Corporation Tax Act 2010
<b>“Date of Adoption”</b>	means the date on which these Articles were adopted,
<b>“Date of Termination”</b>	<p>in relation to an individual holder of Ordinary Shares means the earlier of</p> <ul style="list-style-type: none"> <li>(a) where the contract of employment (if any) between the Company or any of its subsidiaries and that holder terminates by virtue of a notice given by the employer to that holder (or vice-versa), the date on which such notice expires,</li> <li>(b) where the contract of employment (if any) between the Company or any of its subsidiaries and that holder is terminated by the employer or that holder and a payment is made to the employee in lieu of notice, the date on which such employment was terminated,</li> <li>(c) where the holder is an officer or consultant or otherwise engaged (other than as an employee) by the Company or any of its subsidiaries, the date on which such office, consultancy, engagement or contract for services relating to the same is terminated,</li> <li>(d) the date on which the contract of employment (if any) between the Company or any of its subsidiaries and that holder is terminated, and</li> <li>(e) the date on which that holder is deemed to have given a Transfer Notice in accordance with Articles 15.1.1, 15.1.2 or 15.1.3</li> </ul>
<b>“Directors”</b>	the directors of the Company or a quorum of such directors present at a duly convened meeting of the directors

<b>“Disposal”</b>	the disposal (by one transaction or a series of transactions) of a substantial part of the business and undertaking of the Company or any of its subsidiaries
<b>“Equity Shares”</b>	the Ordinary Shares and the A Ordinary Shares for the time being in issue
<b>“Exit Event”</b>	a Change of Control, a Listing or a Disposal
<b>“Fair Value”</b>	for the purposes of Article 15, means as agreed between the Board (with the written approval of each of RisingStars and NWBIS) and the Vendor or, in the absence of agreement within 21 days of the Transfer Event, as determined in accordance with Article 14 4
<b>“Family Trusts”</b>	as regards any particular individual member or deceased member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual, and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of power or discretion conferred thereby on any person or persons
<b>“Funds Consent”</b>	the consent in writing of RSGF and NWBIS, which may be given, for RSGF and NWBIS by a director appointed in accordance with Article 21
<b>“Good Leaver”</b>	for the purposes of Article 15, refers to an individual 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 either <ul style="list-style-type: none"> <li>(a) such cessation occurs on or after the second anniversary of the Date of Adoption,</li> <li>(b) such cessation occurs before the second anniversary of the Date of Adoption because of the termination by the member’s employing member of the Group in circumstances constituting unfair dismissal, or</li> <li>(c) the Board with the prior written consent of</li> </ul>

each of RisingStars and NWBIS otherwise deem such person as a Good Leaver

**“Group”**

has the meaning defined in Article 14 4 2 4

**“Investment Agreement”**

the investment agreement between Reaxa Limited and others dated 26<sup>th</sup> October 2009 and varied by the parties to that agreement to incorporate the Company

**“Investor Director”**

a director appointed pursuant to Article 21

**“Investor Syndicate Members”**

collectively means NWBIS and RSGF

**“Issue Price”**

means in respect of a share in the capital of the Company the aggregate paid up or credited as paid up in respect of the nominal value and any share premium

**“Listing”**

means either

- (a) the admission by the Financial Services Authority (or any successor competent authority) in its capacity as the UK Listing Authority of any of the share capital to the Official List, and such admission becoming effective, or
- (b) the admission by London Stock Exchange plc of any of the share capital to trading on AIM, a market operated by the London Stock Exchange plc and such admission becoming effective, or
- (c) admission of any of the share capital on a recognised investment exchange (within the meaning of section 285 of the Financial Services and Markets Act 2000)

**“Member of the same Group”**

in relation to a member which is a body corporate any other body corporate which is a group undertaking (as defined by section 1161 of the 2006 Act)

**“New Securities”**

any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption, excluding any shares issued in accordance with any share option scheme, any shares issued in accordance with Article 8, any shares issued in accordance with the Investment Agreement, any shares issued by way of bonus issue and/or any shares which are excluded with

Funds' Consent

<b>"NWBIS "</b>	shall have the meaning given in the Investment Agreement
<b>"Ordinary Shares"</b>	the ordinary shares of 10p each in the capital of the Company
<b>"Pension Fund"</b>	a self invested pension plan established under trust and accepted as a registered scheme by HM Revenue & Customs
<b>"Privileged Relation"</b>	the spouse, civil partner or widow or widower of the member and the member's adult children and adult grandchildren (including adult step and adopted adult children and their adult issue)
<b>"Relevant Executive"</b>	a working director and employee or consultant to the Company or any subsidiary undertaking of the Company (but excluding, for the avoidance of doubt, the Investor Director)
<b>"Relevant Member"</b>	a member who is a Relevant Executive or a member who shall have acquired shares of the Company directly or indirectly from a Relevant Executive (including where such shares were subscribed by such member by reason of its relationship with the Relevant Executive)
<b>"Relevant Officer"</b>	any director or other officer or former director or other officer of the company, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)
<b>"Relevant Shares"</b>	(so far as the same remain for the time being held by the trustees of any Family Trusts or by any Transferee Company) the Shares originally acquired by such trustees or Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferring Company in exercise of any right or option granted or arising by virtue of the holding of such Shares or any of them or the membership thereby conferred
<b>"RisingStars"</b>	shall have the meaning given in the Investment Agreement
<b>"Shares"</b>	the Ordinary Shares and the A Ordinary Shares in issue
<b>"Shareholders"</b>	the holders for the time being of the issued Shares

<b>“Starting Price”</b>	£29.30 per share
<b>“Transfer Event”</b>	shall have the meaning given in Article 15.1
<b>“Transfer Notice”</b>	a notice in accordance with Article 14.2 that a member desires to transfer Shares
<b>“Transferee Company”</b>	a body corporate for the time being holding Shares in consequence, directly or indirectly, of a transfer or series of transfers between Members of the same Group (the relevant Transferor company in the case of a series of such transfers being the first transferor in such series)

## **2. STATUS AND DOMICILE**

- 2.1 The Company’s registered office will be situated in England and Wales
- 2.2 The liability of the members is limited to the amount, if any, unpaid on the shares held by them
- 2.3 The Company is a private company limited by shares

## **3. SHARES**

- 3.1 In regulation 8, the words “not being a fully paid Share” shall be omitted. The Company shall have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any person indebted or under liability to the Company (whether he is the sole registered holder thereof or one of two or more joint holders) for all monies presently payable by him or his estate to the Company.
- 3.2 The liability of any member in default in respect of a call shall be increased by the addition of the words “and all expenses that may have been incurred by the Company by reason of such non-repayment” at the end of the first sentence of regulation 18.

## **4. ISSUE OF SHARES**

- 4.1 Sub-section (1) of section 561(2006 Act) and sub-sections (1) to (5) inclusive of section 562, 2006 Act shall apply to the Company.
- 4.2 On any allotment of equity securities (as defined in section 560, 2006 Act) any equity securities offered to a holder of A Ordinary Shares must be in the form of A Ordinary Shares and any equity securities offered to a holder of Ordinary Shares must be in the form of Ordinary Shares.

## **SHARE RIGHTS**

### **5. DIVIDENDS**

- 5.1 In respect of the profits of the Company which are available for lawful distribution in respect of each financial year, the Board may declare dividends on the A Ordinary Shares and the Ordinary Shares, which shall be paid on the A Ordinary Shares and the Ordinary Shares *pari passu* as if they were all shares of the same class.



5 2 Every dividend shall be distributed to the appropriate shareholders pro rata according to the amount paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis All dividends shall be paid in cash

5 3 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time and to the extent that it may lawfully do so declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of the dividends referred to in Article 5 1

## 6 RETURN OF CAPITAL

6 1 On a return of assets on liquidation, dissolution, winding up, Listing of the Company or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority

6 1 1 firstly, in paying to the holders of the A Ordinary Shares (in proportion to the numbers of A Ordinary Shares held by them) all unpaid arrears and accruals of any dividend due in respect of the A Ordinary Shares,

6 1 2 secondly, in paying to the holders of the A Ordinary Shares (in proportion to the numbers of A Ordinary Shares held by them) the Issue Price of such shares, such payment to be made in cash or the allotment of shares to the value of the number of A Ordinary Shares multiplied by the Issue Price of such shares, and

6 1 3 lastly, in distributing the balance amongst the holders of the A Ordinary Shares and the Ordinary Shares pari passu as if they were all shares of the same class

6 2 Any Change of Control, merger, acquisition, consolidation, initial public offering or other transaction (collectively "the Transaction") or series of transactions which results in the Shareholders of the Company no longer retaining a majority of the voting power of the Company, or a sale of all or substantially all the Company's assets, (but not, for the avoidance of any doubt, any reorganisation of the Group which has been approved with Funds' Consent including, but not limited to, any reorganisation which involves any share exchanges(a "Reorganisation")) shall be deemed to be a liquidation, dissolution or winding up of the Company for the purposes of Article 6 1 Upon any such sale or Transaction taking place, the Company shall (except if otherwise consented by the holders of A Ordinary Shares) distribute the remaining assets in accordance with Article 6 1

6 3 Any Exit Event which is proposed to be accepted by the Shareholders shall exclude the requirement for the Funds to provide any warranties, undertakings or representations to any party who is to receive shares pursuant to an Exit Event

## 7 PROCEEDS OF AN EXIT EVENT

7 1 On the occurrence of an Exit Event then (unless all the selling members immediately prior to such Exit Event have agreed to the contrary for the purposes of this Article 7) the members selling Shares on an Exit Event shall procure that the net proceeds of such Exit Event (the "Proceeds") shall be paid into a designated trustee account and shall be distributed amongst the selling members only in the following order of priority -

7 1 1 firstly, in paying to selling members that are the holders of A Ordinary Shares and Ordinary Shares (arising on a conversion of A Ordinary Shares pursuant to Article 8 as a result of such Exit Event) (in proportion to the number of A Ordinary Shares and Ordinary Shares held by them) pari passu as if the same constituted one class of share an amount equal to all unpaid arrears and accruals of any dividends due in respect of such shares,

7 1 2 secondly, in paying to the selling members that are relevant holders of A Ordinary Shares and Ordinary Shares (arising on a conversion of A Ordinary Shares pursuant to Article 8 as a result of such Exit Event) (in proportion to the number of A Ordinary Shares and Ordinary Shares held by them) *pari passu* as if the same constituted one class of share the Issue Price of such shares, and

7 1 3 lastly, the balance of the Proceeds will be distributed amongst selling members that are the holders of the A Ordinary Shares and Ordinary Shares *pari passu* as if they were all shares of the same class

7 2 Unless otherwise agreed between the selling members, any deferred or non-cash proceeds on an Exit Event shall be distributed in accordance with Article 7 1

## 8 CONVERSION

8 1 At the option of the holders of A Ordinary Shares, immediately prior to a Listing or Change of Control (but conditionally upon such Listing being obtained or Change of Control taking place) (a "Conversion Date") the number of A Ordinary Shares held by such holder shall convert into the same number of Ordinary Shares

8 2 Any conversion pursuant to this Article 8 shall be made on the following terms -

8 2 1 conversion shall take effect immediately on a Conversion Date at no cost to the holders thereof other than as to any payment required to fully pay up the Ordinary Shares into which the A Ordinary Shares are converted,

8 2 2 forthwith after the Conversion Date the Company shall issue to the persons entitled thereto certificates for the Ordinary Shares resulting from the conversion and the certificates for the shares falling to be converted shall be deemed to be invalid for all purposes and the holder thereof shall be bound to deliver the same to the Company for cancellation, and

8 2 3 the Ordinary Shares arising on conversion of any A Ordinary Shares shall in all respects rank as one uniform class of shares with the Ordinary Shares in the capital of the Company then in issue

## 9. ANTI-DILUTION

9 1 If New Securities are issued by the Company (save in the event of a Reorganisation) at a price per New Security which equates to less than the Starting Price (a "Qualifying Issue") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any of the holders of A Ordinary Shares shall have specifically waived their rights under this Article in writing, offer (such offer, unless waived, to remain open for acceptance for not less than 15 Business Days) to each holder of A Ordinary Shares (the "Exercising Investor") the right to receive a number of new A Ordinary Shares (in respect of holdings of A Ordinary Shares) determined by applying the following formula (and rounding the product, N, down to the nearest whole share)

$$\left( \left( \frac{SIP}{WA} \right) \times Z \right) - Z = N$$

Where

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to a Qualifying Issue

QISP = the per share price of the New Securities issued pursuant to the Qualifying Issue

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of A Ordinary Shares held by the Exercising Investor

## 9 2 The Anti-Dilution Shares shall

9 2 1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investor Directors) In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 9, the matter shall be referred (the party carrying the burden of these costs to be determined by the Auditors acting reasonably) to the Auditors for certification of the number of Anti-Dilution Shares to be issued The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor;

9 2 2 subject to the payment of any cash payable pursuant to Article 9 2 1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing A Ordinary Shares, within 5 Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 9 2 1,

9 2 3 not be issued where they have been allotted pursuant to a share option pool that has received the Funds' Consent

## 10 VOTING

10 1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with this Article (and in particular, Articles 10 3, and 10 4), shares in the Company will carry votes as follows

Ordinary Shares one vote per share

A Ordinary Shares one vote per share

10 2 Votes on shares may be exercised

10 2 1 on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each member holding shares with votes shall have one vote), and

10 2 2 on a poll by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding shares with votes shall have one vote for each such share held)

10 3 In the event that

- 10 3 1 having been previously notified in writing by the Funds (as defined in the Investment Agreement) of a material breach of a term, or a persistent breach of an immaterial term, of the Investment Agreement there is a further breach of the same term by the Company or any of the Managers (as defined in the Investment Agreement), or
- 10 3 2 there is a material breach of the Investment Agreement, or a persistent breach of an immaterial term of the Investment Agreement, by the Company or any of the Managers, which, if capable of remedy, is not remedied within 10 business days following receipt of notice in writing of the breach from the Funds to the Managers and/or the Company, or
- 10 3 3 any dividend payable by the Company on the A Ordinary Shares in accordance with the Articles is not paid on the due date (for whatever reason other than where prior written consent to a delayed payment has been received from all the holders of A Ordinary Shares and/or where such dividend cannot legally be paid), or
- 10 3 4 the Company is in breach of any of the financial covenants under, or is otherwise in material or persistent breach of any of the terms of, the facility and/or security documentation relating to the banking facilities provided to the Company from time to time or any amount payable by the Company under such facilities has become payable in advance of its stated payment date,

then (for so long only as the circumstances comprising such event and triggering the rights under this Article continue to subsist without being remedied to the satisfaction of RisingStars and NWBIS so that they are no longer occurring or RisingStars and NWBIS otherwise specifically accepts in writing the situation giving rise to the application of this Article and acknowledges that Articles 10 3 5 and 10 3 6 should not apply) on RisingStars and NWBIS giving written notice to the Company to that effect,

- 10 3 5 RisingStars and NWBIS (or their nominees as appropriate) shall together be entitled to such number of votes at general meetings of the Company as shall equate to 99% of the votes capable of being cast thereat, and
  - 10 3 6 the RisingStars Director and the NWBIS Director shall together be entitled to such number of votes at Board meetings as shall equate to a majority of the votes capable of being cast thereat
- 10 4 A holder of Ordinary Shares (other than RisingStars and NWBIS) (and that holder's Privileged Relations and/or Family Trusts and any body corporate under the control (directly or indirectly) of that member or the trustees of any Pension Scheme relating to that holder (if any)) shall not be entitled to receive notice of, attend or vote at any general meeting of the Company following the earlier of (i) the Date of Termination in respect of that holder and (ii) the date on which that holder is deemed to have given a Transfer Notice in accordance with Article 15 2

## 11. CLASS RIGHTS

- 11 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, only with the consent in writing of the holders of 75% of the issued shares of that class Without prejudice to the generality of this Article, the special rights attached to the A Ordinary Shares shall be deemed to be varied by the Company or any of its subsidiaries and the following shall not be undertaken without the consent in writing of each of RisingStars and NWBIS.

- 11 1 1 calling a meeting for the purpose of considering or the passing of a resolution for amending its memorandum or articles of association, or
- 11 1 2 (without prejudice to the provisions of sections 630 and 633, 2006 Act) varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company, or
- 11 1 3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company, or
- 11 1 4 calling a meeting for the purpose of considering a resolution to approve a contract to purchase any of its shares, or
- 11 1 5 calling a meeting for the purpose of passing a resolution to dispense with the holding of annual general meetings, or
- 11 1 6 calling a meeting for the purpose of passing any resolution whereby its classification or status may be changed,
- 11 1 7 altering the restrictions on the powers of the directors to borrow, give guarantees or create charges, or
- 11 1 8 redeeming any of its shares (except as specifically provided for in these Articles), or
- 11 1 9 applying by way of capitalisation of any sum in or towards paying up any debenture or debenture stock, or
- 11 1 10 altering in any material way (including cessation) the nature of its business, or
- 11 1 11 any Listing or Change of Control becoming unconditional or completed, or
- 11 1 12 calling a meeting for the purpose of considering a resolution that it be wound up, or
- 11 1 13 appointing or removing its auditors, or
- 11 1 14 altering the accounting reference date, or
- 11 1 15 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital, or
- 11 1 16 granting any option or other right to subscribe for shares save as anticipated by the Investment Agreement, or
- 11 1 17 disposing of its undertaking or any substantial part thereof,
- 11 1 18 disposing or issue of any issued or unissued shares in its capital save as permitted by these Articles, or
- 11 1 19 disposing of or acquiring any interest in any share in the capital of any company

## **TRANSFER OF SHARES**

## **12 GENERAL**

12 1 Subject to Article 14, Shares may be transferred by transfer in writing in usual common form or in any other form approved by the Directors. The instrument of transfer shall be signed by or on behalf of the transferor and, when the share is not fully paid, shall also be signed by the transferee.

12 2 The Directors may in their absolute discretion and without assigning any reason thereof refuse to register any transfer of Shares not fully paid or over which the Company has a lien. The Directors may also refuse to register a transfer of Shares, whether fully paid or not, in favour of more than four persons jointly.

12 3 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped and is in respect of only one class of share and is accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). All instruments of transfer which are registered may be retained by the Company.

### 13 PERMITTED TRANSFERS

13 1 Subject to the provisions of this Article 13 but notwithstanding the provisions of Article 14 any Shares (other than any Shares in respect of which the holder shall have been required by the Directors under these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice) may at any time be transferred

13 1 1 by an individual member (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trusts) to a Privileged Relation of such member, or

13 1 2 by such individual member to trustees to be held upon Family Trusts related to such individual member, or

13 1 3 by such individual member to a Pension Fund related to such individual member, or

13 1 4 by any member being a body corporate (not being in relation to the Shares concerned a holder thereof as a trustee of any Family Trusts) to a Member of the same Group as the Transferor Company, or

13 1 5 for the purpose of a Reorganisation,

provided that in the case of any transfer under Article 13 1 1 or 13 1 2, the member continues to hold over 50% of the shares held by him as at the Date of Adoption.

13 2 Where shares have been transferred under Article 13 1 to trustees of Family Trusts, the trustees and their successors in office may (subject to the provisions of Article 13 1) transfer all or any of the Relevant Shares

13 2 1 to the trustees for the time being of the Family Trust concerned on any change of trustees,

13 2 2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person, or

13 2 3 to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has thereby become entitled

to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid

- 13 3 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 13 1 to be and is to be made to the person or persons entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound to give a Transfer Notice in respect of the Shares concerned
- 13 4 If a person to whom Shares have been transferred pursuant to Article 13 1 1 shall cease to be a Privileged Relation, such person shall be bound (unless a majority of the Board with the prior written consent of each of RisingStars and NWBIS so consent) to give a Transfer Notice in respect of the Shares concerned
- 13 5 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 13 1 3) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the foregoing provisions of this Article) the Transferee Company shall be bound (unless a majority of the Board with the prior written consent of each of RisingStars and NWBIS so consent) to give a Transfer notice in respect of the Relevant Shares
- 13 6 Any A Ordinary Shares may be transferred
- 13 6 1 to the investment fund (if any) for whom such shares are held, or
- 13 6 2 to another investment fund (if any) which is managed or advised by the same manager or adviser as the transferor or by a manager or adviser which is a member of the same group as the transferor's manager or adviser, or
- 13 6 3 to any unitholder, shareholder, partner or participant in, or manager or adviser (or an officer or employee, past or present, of such partner, manager or adviser) of that investment fund (if any), or
- 13 6 4 to any custodian or nominee or other person so authorised, to be held solely on behalf of any person referred to in Article 13 6 1, 13 6 2 or 13 6 3 above
- 13 7 Any A Ordinary Shares and/or Ordinary Shares may with the prior written consent of each of RisingStars and NWBIS be transferred to any person, body or firm or partnership whose business comprises to a material extent the holding for investment purposes of securities in and/or the provision of debt and other financial facilities to United Kingdom unlisted companies and includes any subsidiary, nominee, custodian or manager used by any such person, firm or partnership to hold such investments or to make available such facilities
- 14 **PRE-EMPTION ON TRANSFER**
- 14 1 The right to transfer Shares or any interests in Shares shall be subject to the following restrictions and provisions References in this Article 14 to Shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of such Shares
- 14 2 Any Shareholders (the "Proposing Transferor") proposing to transfer any Shares other than in the circumstances referred to in Article 13 above (the "Sale Shares") shall be required

before effective, or purporting to effect the transfer, to give a notice in writing to the Company that he desires to transfer the Sale Shares and specifying the price at which he is prepared to sell the Sale Shares in accordance with the following provisions of this Article 14 (the "Proposed Price") The Transfer Notice shall constitute the Company his agent for the sale of Sale Shares (together with all rights then attached thereto) on the basis set out in the following provisions of this Article 14 and shall not be revocable except with the consent of the Directors

14 3 Subject to Article 15, the Sale Shares shall be offered for purchase in accordance with this Article 14 at a price per Sale Share (the "Sale Price") as agreed between the Proposing Transferor and the Directors (with the prior written approval of each of RisingStars and NWBIS) or, failing such agreement, within 21 days after the date of the Transfer Notice, as determined pursuant to Article 14 4

14 4 If agreement of the Sale Price cannot be reached in accordance with Article 14 3, then the following provisions shall apply

14 4 1 If the Group's net profit for the most recently completed financial year is 30% or more below that stated in its Budget (as defined in the Investment Agreement) for that Financial Year, the Sale Price shall be the lower of (i) the Issue Price and (ii) the net asset value shown in the most recent balance sheet of the Group approved by RisingStars and NWBIS divided by the number of Equity Shares in issue,

14 4 2 In all other cases, the Directors shall within 7 days refer the matter to the Auditors and the Auditors shall determine and certify the sum per share considered by them to be the fair value thereof as at the Notice Date In so determining and certifying, the Auditors shall

14 4 2 1 not take into account the proportion of the relevant class of shares which the Sale Shares represent,

14 4 2 2 value the Sale Shares as on an arm's length sale between a willing seller and a willing purchaser,

14 4 2 3 take into account the provisions of this Article 14,

14 4 2 4 take into account actual and prospective earnings of the Company and its subsidiaries (the "Group") for the then current financial year as shown by the agreed budget for the Group and its current management accounts,

14 4 2 5 assume that the Sale Shares can be transferred without restriction

The Auditors shall act hereunder as experts and not as arbitrators and their determination shall be final and binding on all persons concerned and (in the absence of fraud) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith

14 5 If the Auditors are required to certify the fair value under Article 14 4, the Company shall procure that their certificate shall be delivered to the Company as soon as practicable (and in any event within 30 clear days of instruction) and so soon as the Company receives the certificate it shall furnish a certified copy thereof to the Proposing Transferor who (except in the case of a Transfer Notice required or deemed to be served by Article 15, in which case the Proposing Transferor shall have no right of cancellation) may by notice in writing given to the Company within 5 clear days of the service upon him of the said certified copy (as to which



time shall be of the essence) cancel the Company's authority to sell the said Shares. The cost of obtaining the certificate shall be borne equally by the Company and the Proposing Transferor unless the Proposing Transferor shall give notice of cancellation as aforesaid in which case he shall bear the said cost. Save for the right of cancellation conferred by this paragraph, service or deemed service of a Transfer Notice shall be irrevocable.

14.6 Unless the authority is cancelled by the Proposing Transferor pursuant to Article 14.5, within 14 days of the later of the receipt by the Company of a Transfer Notice and the determination of the Sale Price each of RisingStars and NWBIS may direct the Company (in its capacity as agent for the Vendor) immediately to offer at the Sale Price such number of the Sale Shares as it may determine to

14.6.1 the Investor Syndicate Members on a pro rata basis in accordance with their shareholdings in the Company, and/or

14.6.2 the Company pursuant to the provisions of part V of the Act and Part 17, 2006 Act as appropriate and in force at the time, and/or

14.6.3 such employees of the Company as each of RisingStars and NWBIS may specify, and/or

14.6.4 any person who will hold the Sale Shares for the benefit of existing or future employees including (without limitation) any employee benefit trust of any member of the Group or any professional trustee, in any such case to hold the Sale Shares upon the terms of a discretionary trust for the benefit of the class of beneficiaries which includes (without limitation) employees and directors of any member of the Group

14.7 If none or some only of the Sale Shares are allocated pursuant to the provisions of Article 14.6 the Company shall offer the Sale Shares for purchase at the Sale Price by a written Offer Notice (the "**Offer Notice**") given within 21 days after the Sale Price is agreed or determined under Article 14.4 (the "**Notice Date**") to the persons (other than the Proposing Transferor) who, on the Notice Date, were the registered holders of Shares in the Company on terms that the Sale Shares shall be sold to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings of Shares (and the shareholding of the Proposing Transferor shall be ignored for the purpose of calculating this proportion). Any Shares which are not accepted pursuant to the offer contained in the Offer Notice will be offered by the Company by a further written notice (the "**Further Notice**") given within 21 days of the date of the Offer Notice to those Shareholders whom accepted Shares pursuant to the offer contained in the Offer Notice, such second offer to be in proportion to their holdings of Shares as increased by their acceptance of the offer contained in the Offer Notice (again, for the purpose of calculating the relevant proportion, ignoring the Proposing Transferor's shareholding and also ignoring the shareholdings of any Shareholders who did not accept the offer contained in the Offer Notice pursuant to this Article 14.7).

14.8 The period during which the relevant Shareholder may accept the offer contained in the Offer Notice shall commence on the date of the Offer Notice and terminate 14 days thereafter. The period during which a relevant shareholder may accept the offer contained in the Further Notice shall commence on the date of Further Notice and terminate 14 days thereafter. The aggregate of the periods referred to in this Article 14.8 shall be referred to in total as the "**Prescribed Period**".

14.9 Any Shares not accepted by any of the members pursuant to the foregoing provisions of this Article 14 by the end of the last day of the Prescribed Period may be offered by the Proposing Transferor to such persons as he may think fit for purchase at a price not less than the Sale

Price for a period of three months commencing on the day after the day on which the Prescribed Period terminates

14 10 After the expiry of the Prescribed Period, the Directors shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in Article 14 7 The Directors shall within 7 days of the expiry of the Prescribed Period give notice in writing (the "Sale Notice") to the Proposing Transferor and to each accepting Shareholder (each a "Purchaser") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them

14 11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than 3 days nor more than ten days after the date of the Sale Notice) when the Proposing Transferor, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, shall transfer those Sale Shares and deliver the relevant share certificates to that Purchaser

14 12 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser(s) hereunder the Directors may 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(s) to be registered as the holder(s) of such shares The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see to the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers and validity of the proceedings shall not be questioned by any person The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company

14 13 Unless otherwise agreed in any specific case by each of RisingStars and NWBIS

14 13 1 any Ordinary Shares transferred to a holder of A Ordinary Shares shall automatically on registration become A Ordinary Shares, and

14 13 2 any A Ordinary Shares transferred to a holder of Ordinary Shares shall automatically on registration become Ordinary Shares

## 15 COMPULSORY TRANSFERS

15 1 In this Article 15, a "Transfer Event" means in relation to any member

15 1 1 a member who is an individual becoming bankrupt or dying,

15 1 2 a member who is or was previously a director or employee of or consultant to or otherwise engaged by a member of the Group ceasing to hold such office or employment, consultancy or engagement and as a consequence no longer being a director or employee, consultant to or otherwise engaged by any member of the Group (and the date upon which a member ceases to hold office or employment, consultancy or engagement as described above shall be their Date of Termination),

15 1 3 a member who is an individual being in persistent or material breach of the Investment Agreement and (if such breach was capable of remedy) has failed to remedy the breach within 10 business days following receipt of notice in writing of the breach from the Funds to that member

15 2 Upon the happening of any Transfer Event, the member in question (the "Vendor") and any other member who has acquired Shares from him under a permitted transfer (directly or by

means of a series of two or more permitted transfers) shall (unless a majority of the Board with the prior written consent of each of RisingStars and NWBIS resolve otherwise) 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

15 3 Subject to Article 15 4, the Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 14 as if they were Sale Shares in respect of which a Transfer Notice had been given save that

- (a) 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,
- (b) subject to Article 15 5, the Sale Price shall be a price per Sale Share agreed between the Vendor, the Board, RisingStars and NWBIS or, in default of agreement, within 21 days after the date of the Transfer Event, the Fair Value,
- (c) a Deemed Transfer Notice shall be irrevocable,
- (d) 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 all Investor Directors (if any), sell all or any of those Sale Shares to any person (including any member) at any price per Sale Share which is not less than the Sale Price,
- (e) the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event

15 4 Unless each of RisingStars and NWBIS agree otherwise, any shares being sold by reason of a transfer under Article 15 1 2 or Article 15 1 3 shall be offered first to the Company within 14 days of the Sale Price being determined Any shares not sold under this Article within 7 days of such offer will be available for sale to the members of the Company in accordance with the provisions of Article 14

15 5 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 15 1 2 shall

- (a) in the case of a Good Leaver be their Fair Value, and
- (b) in the case of a Bad Leaver be their Fair Value or, if less, their Issue Price

and 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 15 1 3 shall be the Fair Value or, if less, their Issue Price

## 16 DRAG ALONG OPTION

16 1 In the event that at any time

16 1.1 following the Date of Adoption, or

16 1 2 following the service of any notice by each of RisingStars and NWBIS on the Company pursuant to the provisions of Article 10 3,

the holders of over 65% of the Shares in the Company (the "**Selling Shareholders**") shall either (i) receive a bona fide offer from a third party to acquire all the Equity Shares held by the Selling Shareholders (the "**Third Party Offer**") or (ii) receive a notice from the Directors in which a reorganisation of the Equity Shares is proposed (including, but not limited to, a share exchange with any company in the Group) ("**Reorganisation Notice**") then, before accepting such offer or notice (as the case may be) and within 10 days of receipt of such offer or notice (as the case may be), the Selling Shareholders shall serve a notice (an "**Article 16.1 Notice**") on all the other Shareholders (the "**Remaining Shareholders**") specifying in reasonable detail the terms of the offer made by the third party or the terms of the proposed reorganisation (as the case may be) together with a copy of the Third Party Offer or the Reorganisation Notice (as the case may be)

16 2 Following service of an Article 16 1 Notice and in the case of a Third Party Offer only, the Remaining Shareholders shall have the right exercisable by written notice served on the Selling Shareholders within 28 days of the date of service of the Article 16 1 Notice to acquire all (but not some only) of the Selling Shareholders' Equity Shares from the Selling Shareholders subject to the same conditions (if any) and for the same consideration as offered by the third party

16 3 In the event that the Remaining Shareholders shall fail to serve a notice in accordance with Article 16 2 within the period specified in that Article or if the Remaining Shareholders agree to waive their rights under Article 16 2, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the Remaining Shareholders to transfer all their Equity Shares (i) in the case of the Third Party Offer, to the third party purchaser or as the third party purchaser shall direct or (ii) in the case of the Reorganisation Notice, such party as the Directors shall direct in the Reorganisation Notice (the "**Reorganisation Transferee**") in accordance with the remaining provisions of this Article 16 and (i) in the case of the Third Party Offer, upon the same terms as those on which the third party is to acquire the Selling Shareholders' Equity Shares or (ii) in the case of the Reorganisation Notice, upon the same terms as those on which the Reorganisation Transferee is to acquire the Selling Shareholders' Equity Shares and, for the avoidance of doubt, the provisions of Article 14 shall not apply to such proposed sale or transfer

16 4 The Selling Shareholders shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to all the Remaining Shareholders at any time before the transfer of the Selling Shareholders' Equity Shares (i) in the case of the Third Party Offer, to the third party purchaser or (ii) in the case of the Reorganisation Notice, the Reorganisation Transferee A Drag Along Notice shall specify that the Remaining Shareholders are required to transfer all their Equity Shares (the "**Remaining Shares**") pursuant to this Article 16 (i) in the case of a Third Party Offer, to the third party purchaser or (ii) in the case of the Reorganisation Notice, the Reorganisation Transferee, the price at which the Remaining Shares are to be transferred and the proposed date of transfer In the case of the Third Party Offer only a Drag Along Notice shall be irrevocable unless the third party purchaser refuses to acquire the Remaining Shares on the terms of this Article 16 in which case the Remaining Shareholders shall be under no obligation to sell their Equity Shares to such third party purchaser

16 5 The Remaining Shareholders shall be obliged to sell the Remaining Shares at the price specified in the Drag Along Notice and completion of this sale and purchase shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Equity Shares, unless

16 5 1 all the Remaining Shareholders and the Selling Shareholders agree otherwise, and

- 16 5 2 the date is less than 14 days after the Drag Along Notice, in which case completion shall take place on the 14th day after the Drag Along Notice
- 16 6 Each of the Remaining Shareholders shall, on service of the Drag Along Notice, be deemed to have appointed each of the Selling Shareholders severally as his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Remaining Shares to (i) in the case of the Third Party Offer, the third party purchaser or (ii) in the case of the Reorganisation Notice, the Reorganisation Transferee pursuant to this Article 16
- 17 **TAG ALONG**
- 17 1 Subject to Article 14, but notwithstanding any other provisions in these Articles no sale or transfer or other disposition of any interest in the Shares shall have any effect (other than any transfers permitted under Article 13 or a transfer in connection with a Reorganisation Notice served in accordance with clause 16) if it were to result in a Change of Control unless before the transfer is lodged for registration the proposed third party purchaser (the "**Third Party Purchaser**") has made a bona fide offer in accordance with these Articles to purchase at the Specified Price (as defined below) all the Shares held by Shareholders who are not acting in concert or otherwise are connected with the Third Party Purchaser (the "**Uncommitted Shares**")
- 17 2 An offer made under Article 17 1 shall be in writing, be open for acceptance for at least 21 days and be deemed to have been rejected by any member who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 30 days of the date of the offer
- 17 3 For the purposes of Article 17
- 17 3 1 the expression "transfer" includes the renunciation of a renounceable letter of allotment,
- 17 3 2 "**Specified Price**" shall mean a price per share equal to the higher of
- 17 3 2 1 the Issue Price of such shares plus all arrears and accruals of dividends on such shares calculated to the date of sale or transfer, and
- 17 3 2 2 the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any person or persons referred to in Article 17 1 at any time in the previous 12 month period for Ordinary Shares or A Ordinary Shares plus such further consideration (in cash or otherwise) paid or payable by each person which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the relevant shares
- 17 4 If the Specified Price or its cash equivalent cannot be agreed within 21 days of the proposed sale or transfer referred to in Article 17 1 between the Third Party Purchaser and Shareholders holding greater than 65% of the Shares (excluding any Shareholders acting in concert or otherwise connected with the Third Party Purchaser), it may be referred by any Shareholder to the Auditors (or if they are not prepared to act to an independent accountant pursuant to Article 17 3) who shall determine and certify the sum per share considered by them to be the fair value thereof and, pending such determination, the sale or transfer referred to in Article 17 1 shall have no effect

## 18 INFORMATION CONCERNING SHAREHOLDINGS AND TRANSFERS

- 18 1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowances, the Directors may from time to time require any member or the legal person representing any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the Company such information or 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 satisfaction of the Directors within a reasonable time after such request being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 14 in respect of the Shares concerned.
- 18 2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one month or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly.
- 18 3 From (and including) the date on which the Directors have duly required a Transfer Notice(s), all holders of Shares subject to such Transfer Notice(s) shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles.

## 19 PROCEEDINGS AT GENERAL MEETINGS

- 19 1 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two shareholders (at least one of whom is a holder of A Ordinary Shares) present in person or by proxy shall be a quorum for all purposes. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 323, 2006 Act.
- 19 2 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 19 3 Any resolution in writing as is referred to in Regulation 53 may consist of several documents in like form, each signed or approved by letter, telex or facsimile transmission by or on behalf of a member or a holder of a class of shares (as the case may be) for the time being entitled to vote on the relevant resolution and Regulation 53 shall be modified accordingly. In the case of a corporation which is a member, the signature of any such representative of such corporation as is referred to in Article 20 1 shall be deemed to be and shall be accepted as the signature of the member concerned for all purposes, including (without limitation) the signature of any form of proxy, resolution in writing, consent, notice or other document signed or approved pursuant to any provision of these Articles.
- 19 4 Regulation 41 shall be amended by the addition of the following words at the end of that regulation
- “if within half an hour of the time appointed for holding of an adjourned meeting a quorum is not present, the meeting shall be dissolved”
- 19 5 The Chairman at any general meeting shall not be entitled to a second or casting vote.

## 20 ALTERNATE DIRECTORS

20 1 Any Director (other than an alternate Director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the directors, appoint any other director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director.

20 2 An alternate Director shall be entitled

20 2 1 to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom,

20 2 2 to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present, and

20 2 3 generally at such meeting to perform all the functions of his appointor as a Director in his absence.

If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative.

20 3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director, but if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

20 4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

20 5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.

20 6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.

20 7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as an alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor such appointor may by notice in writing to the Company from time to time direct.

20 8 Regulations 65 to 69 shall not apply to the Company.

## 21 RISINGSTARS DIRECTOR AND NWBIS DIRECTOR

21 1 RisingStars whilst it holds Shares may from time to time appoint one person to be a director of the Company with the title of RisingStars director (the "**RisingStars 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 RisingStars Director from office

- 21 2 Any appointment or removal of the RisingStars Director shall be in writing served on the Company signed by RisingStars 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
- 21 3 Upon written request by RisingStars the Company shall procure that the RisingStars Director is forthwith appointed as a director of any other member of the same Group to any committee of the Board or the board of any member of the same Group
- 21 4 NWBIS whilst it holds Shares may from time to time appoint one person to be a director of the Company with the title of NWBIS director (the “NWBIS 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 NWBIS Director from office
- 21 5 Any appointment or removal of the NWBIS Director shall be in writing served on the Company signed by NWBIS 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
- 21 6 Upon written request by NWBIS the Company shall procure that the NWBIS Director is forthwith appointed as a director of any other member of the same Group to any committee of the Board or the board of any member of the same Group
- 21 7 Regulation 81(e) shall not apply to the RisingStars Director or the NWBIS Director
- 21 8 The appointment by any of the RisingStars Director or the NWBIS 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

## 22 **DIRECTORS**

- 22 1 Unless and until determined otherwise by general meeting of the Company the minimum number of directors shall be two
- 22 2 The Directors shall not be subject to retirement by rotation Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly
- 22 3 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or for a committee of the Directors may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic or audiovisual communication) to speak to each of the others, and to be heard by each of the others simultaneously, and the word “meeting” in these Articles shall be construed accordingly Any such meeting shall be deemed to take place at the location of the Chairman or, if a Chairman has not been appointed, the location where the majority of Directors are present
- 22 4 A resolution in writing signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors, but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity Regulation 93 shall not apply



- 22 5 A Director may vote at a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company, provided that he has disclosed to the Directors the nature and extent of any material interest or duty and the Board or Directors have authorised any matter or situation proposed to them in accordance with section 175, 2006 Act Regulation 94 shall not apply
- 22 6 Regulation 89 shall not apply to the Company A quorum for all meetings of the Directors shall be two Directors present either in person or by a duly appointed alternate provided that at least one of whom shall be the RisingStars Director or the NWBIS Director unless each and every Investor Director fails to attend an adjourned meeting of which he has been given proper notice or unless each and every Investor Director gives prior written consent for the meeting to proceed in his absence
- 22 7 The Investor Syndicate Members whilst they hold Shares, may from time to time jointly appoint one independent non-executive director as Chairman of the Board
- 22 8 The Chairman of the Board shall not be entitled to a second or casting vote
- 23 **INDEMNITY**
- 23 1 Subject to article 23 2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled,
- 23 1 1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and
- 23 1 2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 23 1 1 and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure
- 23 2 This Article 23 does not authorise any indemnity which would be prohibited or rendered void by any provision of the 2006 Act or by any other provision of law
- 23 3 The Company may, to the fullest extent permitted by law, purchase and maintain for any Director, secretary or other officer of the Company 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