

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

OF

NETIDME LIMITED ("the Company")

(COMPANY NO. SC269495)

The first undemoted Resolution was duly approved as an Ordinary Resolution of the Company and the second undemoted Resolution was duly approved as a Special Resolution of the Company by Written Resolution on 16 January 2014, viz:-

(I) ORDINARY RESOLUTION

"That the 28,586 A ordinary shares of £1.00 each in the capital of the Company be re-classified as ordinary shares of £1.00 each having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution (II) below."

(II) SPECIAL RESOLUTION

"That the Articles of Association in the form attached hereto and initialled for identification purposes be and are hereby 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."

CERTIFIED A TRUE COPY

Sarah-Jane McAlister
Director, for and on behalf of
NetIDme Limited

FRIDAY



SJM
16/1/14

Company number: SC269495

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION OF

NETIDME LIMITED

(adopted by special resolution passed on 16 January 2014)

PRELIMINARY

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and by the Companies Act 1985 (Electronic Communications) Order 2000 (such regulations being hereinafter called "**Table A**") shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith, and such regulations (save insofar as they are excluded or varied hereby or are inconsistent herewith) and these Articles shall be the Articles of Association of the Company. The model articles contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall not apply to the Company.
2. In these Articles, (i) references to the "**Act**" are references to the Companies Act 2006, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force, (ii) words importing any gender shall include the other genders and words importing natural persons shall include corporations and *vice versa* and (iii) the following words bear the following meanings (save where otherwise specified or the context otherwise requires):

"these Articles"	these articles of association of the Company as from time to time altered;
"Asset Sale"	means a sale by the Company or a member of the Company's Group of all or substantially all of the business, assets or undertaking of the Company or the Company's Group (taken as a whole);
"Deemed Transfer Notice"	shall have the meaning given to it in Article 15.3.1;
"Family Trust"	means a trust which only permits the settled property or the income therefrom to be applied for the benefit of: (a) the settlor and/or a Privileged Relation of that settlor; or (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of

	<p>the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except such charity or charities);</p> <p>and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition, "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;</p>
"Group"	means, in respect of any company, any subsidiary of such company, any holding company of such company and any subsidiary of any such holding company (other than such company) and any limited liability partnership controlled by any of such companies;
"holding company"	shall have the meaning ascribed to it in Section 1159 of the Act;
"member"	means a person (whether an individual or a corporation or unincorporated body) who holds Shares;
"Northern Edge"	means Northern Edge Limited, a company incorporated under the Companies Act 1985 in Scotland with Registered Number SC208039 and having its Registered Office at 91 Mitchell Street, Glasgow and any person who acquires shares from them pursuant to Article 15.1;
"Ordinary Shares"	means ordinary shares of £1 each in the share capital of the Company having the rights set out in these Articles and "Ordinary Share" means any one of them;
"Permitted Options"	means (i) the options to be granted over 45,198 Ordinary Shares by the Company to Gerry Docherty and Roy Maxwell (19,116 to each of them) and John Carr (6966 to him) and (ii) such other options as are approved by the Qualified Majority;
"Privileged Relations"	means the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and

	adopted children of the member's children;
"Qualified Majority"	means, in relation to any relevant consent or approval, the consent or approval in writing of persons holding 75% (or more) by number of the Ordinary Shares;
"Sale"	means the sale of all or any part of the Shares to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding more than 50% of the Shares;
"Scottish Enterprise"	means Scottish Enterprise, established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at Atrium Court, 50 Waterloo Street, Glasgow G2 6HQ and any person who acquires shares from them pursuant to Article 15.1;
"Scottish Enterprise Group"	means Scottish Enterprise, any subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise (or any subsidiary of such company, corporation or other body) and any other body to which the statutory functions of Scottish Enterprise have been delegated or a Scottish Enterprise Successor and the expression "member of the Scottish Enterprise Group" shall be construed accordingly;
"Scottish Enterprise Successor"	means any party succeeding in whole or in part to the interest of Scottish Enterprise;
"Shares"	means the Ordinary Shares;
"subsidiary"	shall have the meaning ascribed to it in Section 1159 of the Act and the term "subsidiaries" shall be construed accordingly; and
"Valuer"	an umpire (acting as an expert and not as an arbiter) nominated by the Vendor and the other members or, in the event of disagreement as to nomination, appointed at the request of any such persons by the President for the time being of the Institute of Chartered Accountants of Scotland.

3. The Company is a private company, and accordingly no invitation shall be made to the public to subscribe for any shares or debentures of the Company.
4. Regulations 2, 5, 8, 24, 54, 62, 73 to 77 (inclusive), 80, 82, 94 to 98 (inclusive) and 118 of Table A shall not apply to the Company.

SHARE CAPITAL

Notwithstanding any other provision of these Articles, the maximum issued share capital of the Company shall be £386,565 divided into 386,565 Ordinary Shares. As at the date of adoption of these Articles, the issued share capital of the Company is 201,367 Ordinary Shares.

5. The Ordinary Shares shall entitle the holders thereof to the following rights:

5.1 *as regards dividend:*

Subject to the provisions of the Act, the Company may apply any profits which the Directors resolve to distribute in any financial year in paying to the holders of the Ordinary Shares in respect of their holdings of such shares, *pari passu* and *pro rata* to the number of shares held by each of them;

5.2 *as regards capital:*

on a return of assets on a liquidation, reduction of capital or otherwise any capital or assets shall be returned or distributed to the holders of the Shares *pro rata* according to the number of Shares held by them respectively; and

5.3 *as regards voting in general meetings:*

each holder of Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; on a show of hands every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of Ordinary Shares so present shall have one vote for each Ordinary Share held by him.

ALLOTMENT OF SHARES

6. (a) Regulation 2 of Table A shall not apply to the Company. All unissued shares in the share capital of the Company shall be under the control of the directors who may (subject to Section 551 of the Act and to Article 6 of these Articles and subject to any direction to the contrary that may be given by a Qualified Majority (including Scottish Enterprise and Northern Edge) of the Company) allot, grant options or rights over or otherwise dispose of the same to such persons, at such times, and on such terms as they think fit.
- (b) All shares ("**New Shares**") which the directors propose to issue (other than any share to be allotted pursuant to the Permitted Options) shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively (immediately prior to the issue of the New Shares). The offer shall be made by notice specifying the number of shares offered and the period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. In the event that any shares are not capable of being offered as aforesaid except by way of fractions then lots shall be drawn, in such manner as the directors shall decide, to determine which members shall be offered such shares. After the expiration of

the relevant period, those shares so deemed to be declined shall be offered in the proportion aforesaid to those members who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and a like period as the original offer. Thereafter offers shall continue to be made in like terms in the same manner and like period to those members who continue to accept all of the shares offered to them.

- (c) Any New Shares not accepted pursuant to such offer or further offers as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefore than the terms on which they were offered to the members.
7. In substitution for and to the exclusion of any existing authority under section 551 of the Act or section 80 of the Companies Act 1985, but without prejudice to any previous exercise of any such authority, the directors are generally and unconditionally authorised for the purposes of Section 551 of the Act to exercise all the powers of the Company to allot and grant rights to subscribe for or convert securities into relevant securities (as defined by section 551(1)(b) of the Act) in the Company (without the need to first offer any such shares to any of the existing members of the Company) up to a maximum amount in nominal value of £354,934 at any time or times during the period of five years from the date of adoption of these Articles provided always that this authority is limited to the allotment of Ordinary Shares, in accordance with the terms of the Permitted Options or as the directors may determine. The directors may, after that period, allot any relevant securities or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 551) be renewed, revoked or varied by ordinary resolution of the Company.
 8. In accordance with Section 570 of the Act, Section 561 of the Act shall not apply to the allotment by the Company of equity securities (as defined in Section 560 of the Act).
 9. Save as otherwise required by law or provided in these Articles, the Company shall not be compelled to recognise any equitable, contingent, future or partial interest in any share or any fraction of a share, except the absolute right of the registered holder to the entirety thereof. The Company shall however be entitled to register trustees as such in respect of any shares.

LIEN

10. In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted and the words "and the company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or the estate of any of them to the company" shall be inserted after the words "in respect of that share".

SHARE CERTIFICATES

11. In the second sentence of Regulation 6 of Table A there shall be inserted after the words "sealed with the seal" the words "or subscribed by two directors or a director and the secretary or two authorised signatories of the Company".

SHARES

12. The liability of any member in default in respect of a call shall include liability for all expenses that may have been incurred by the Company by reason of such default and any notice given in accordance with Regulation 18 of Table A may also require payment of such expenses.

TRANSFER OF SHARES

13. The transferor of shares shall remain the holder thereof and a member by virtue thereof until the transferee is entered in the register of members as the holder of the shares. Regulation 33 of Table A shall not apply to the Company.
14. The directors shall refuse to register any transfer of shares made in contradiction of the provisions of these Articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purposes of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as the transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

15.

15.1 Permitted Transfers

15.1.1 Notwithstanding any other provision of these Articles, a transfer of any shares in the Company held by any member of the Northern Edge Group may be made between the member of the Northern Edge Group holding such shares and (i) any other member of the Northern Edge Group and/or (ii) any shareholder from time to time, of Northern Edge, in both cases without restriction as to price or otherwise and the directors shall register any such transfer; provided that in respect of (i) if any such transferee ceases to be a member of the Northern Edge Group it shall forthwith transfer the relevant shares to a member of the Northern Edge Group and (ii) if any such transferee ceases to be a shareholder of Northern Edge it shall forthwith transfer the relevant shares to a member of the Northern Edge Group.

15.1.2 (a) Notwithstanding any other provision of these Articles, a transfer of shares in the Company held by any member of the Scottish Enterprise Group may be made between the member of the Scottish Enterprise Group holding such shares and any other member of the Scottish Enterprise Group without restriction as to price or otherwise and the directors shall register any such transfer; provided that (subject to Article 15.1.2(b)) if any such transferee ceases to be a member of the Scottish Enterprise Group it shall forthwith transfer the relevant shares to a member of the Scottish Enterprise Group.

(b) In the event that any member of the Scottish Enterprise Group has transferred any shares to a member of the Scottish Enterprise Group and such transferee ceases to be a member of the Scottish Enterprise Group but continues to perform the investment function previously carried on by Scottish Enterprise, or activities analogous thereto, then there shall be no requirement for any of the shares to be re-

transferred to another member of the Scottish Enterprise Group and the transferee shall be entitled to continue to hold such shares.

15.1.3 Notwithstanding any other provision of these Articles, a transfer of any shares in the Company held by any member of a Group may be made between the member of such Group holding such shares and (i) any other member of such Group and/or (ii) any shareholder from time to time, of the ultimate holding company of that Group, in both cases without restriction as to price or otherwise and the directors shall register any such transfer; provided that in respect of (i) if any such transferee ceases to be a member of such Group it shall forthwith transfer the relevant shares to a member of such Group and (ii) if any such transferee ceases to be a shareholder of such ultimate holding company it shall forthwith transfer the relevant shares to a member of such Group.

15.1.4 Any member may at any time transfer all or any shares held by him to (i) a Privileged Relation or (ii) trustees to be held upon a Family Trust of which he is the settlor, provided however that in respect of (ii) a Qualified Majority must first be satisfied (acting reasonably) (1) with the terms of the trust instrument and in particular with the powers of the trustees, (2) with the identity of the proposed trustees, (3) that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and (4) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

15.1.5 Where any shares are held by trustees upon a Family Trust:

15.1.5.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;

15.1.5.2 such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor;

and the provisions of Article 15.3 shall not apply to such transfer.

15.1.6 If and whenever any shares held by trustees upon a Family Trust cease to be so held (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of such shares by the holders thereof and such shares may not otherwise be transferred.

15.2 Transfers with Qualified Majority Approval

Notwithstanding any other provision of these Articles, a transfer of any shares in the Company approved by a Qualified Majority other than the shares proposed to be transferred may be made without restriction as to price or otherwise and the directors shall register any such transfer.

15.3 Requirement to give Transfer Notice

15.3.1 Save as otherwise provided in these Articles every member who desires to transfer any shares (hereinafter called the "**Vendor**") shall give to the directors of the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**"), which notice shall specify the number of

shares desired to be transferred and which shall be delivered to the directors at the registered office of the Company. Where the Transfer Notice is, pursuant to these Articles, deemed to have been given it is referred to as a "**Deemed Transfer Notice**". Transfer Notices and Deemed Transfer Notices shall constitute the directors as the Vendor's agent for the sale of the shares specified therein (or the subject thereof) (hereinafter called the "**Sale Shares**") at the Sale Price (as hereinafter defined).

- 15.3.2 Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to or registered in name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of such shares.

15.4 **Mandatory offer on Death**

In the event of the death of any member then that member (or his executors or personal representatives, where appropriate) shall be deemed to have served forthwith upon the happening of such event a Transfer Notice in relation to all shares held by him and all shares held by such member's Privileged Relations or by trustees upon a Family Trust for such member. In the event of such member or Privileged Relations or trustees as aforesaid (or his or their respective executors or representatives) being entitled to receive any shares by virtue of holding any rights or interests to acquire shares in the Company, then upon such member or Privileged Relations or trustees as aforesaid (or his or their respective executors or personal representatives) receiving any shares pursuant to any such rights or interests such member, Privileged Relations or trustees (or his or their respective executors or personal representatives) shall be deemed forthwith to have served a Transfer Notice in relation to all the shares issued or transferred to them pursuant to such rights or interests.

15.5 **Mandatory offer on Insolvency and other events**

In the event of a member:

- 15.5.1 being an individual, becoming bankrupt, or entering into a voluntary arrangement with his creditors; or
- 15.5.2 ceasing to trade or becoming unable to pay its debts for the purposes of Section 123 of the Insolvency Act 1986; or
- 15.5.3 calling a meeting of its creditors or making an arrangement with or compounding with its creditors; or
- 15.5.4 entering into a liquidation (other than for the purposes of a voluntary, solvent reconstruction or amalgamation); or
- 15.5.5 having an encumbrancer take possession or a judicial factor or receiver or administrative receiver or manager or administrator appointed (other than where such possession or appointment is discharged within 14 days of being effected) over all or any material part of its assets; or
- 15.5.6 attempting to deal with or dispose of any share in the Company or any interest in it otherwise than in accordance with these Articles; or
- 15.5.7 having any equivalent action taken in any jurisdiction,

unless the other members in their absolute discretion determine otherwise then that member shall be deemed to have served forthwith upon the happening of such event a Transfer Notice in relation to all the shares held by him 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) under Articles 15.1 or 15.2 (as the case may be). In the event of such member or any other such member (or their respective executors or representatives) being entitled to receive any shares by virtue of his holding any rights or interests to acquire shares in the Company, then upon his or their (or his or their respective executors or representatives) receiving any shares pursuant to any such rights or interests he or they (or his or their respective executors or representatives) shall be deemed forthwith to have served a Transfer Notice in relation to all the shares issued or transferred to him or them (or his or their respective executors or representatives) pursuant to such rights or interests.

15.6 Calculation of the Sale Price

15.6.1 The Sale Price shall be the price agreed by the Vendor and the other members. If the Vendor and the other members are unable to agree a price within 21 days of the Transfer Notice or Deemed Transfer Notice being given or being deemed to have been given, the Sale Price will instead be the price which the Valuer shall certify to be in his opinion a fair value thereof.

15.6.2 In arriving at his opinion the Valuer will value the shares on a going concern basis as between a willing seller and a willing buyer on an arms length basis and on the assumption that the Sale Shares are capable of transfer without restriction. The value of the shares shall not be enhanced or discounted on account of their representing a majority or minority (respectively) interest in the share capital of the Company nor discounted by virtue of being unquoted. The Valuer shall also take into account any bona fide offer from a third party to purchase any holdings the subject of a Transfer Notice. The decision of the Valuer as to the Sale Price shall be final and binding and his costs shall be borne as to one half by the Vendor and as to the other half by the other members (*pro rata* to the number of Sale Shares purchased by them (if any)) unless no Sale Shares are purchased by the members in which case the entire costs of the Valuer shall be borne by the Vendor. The Valuer shall notify the Company in writing of his decision and the Company shall, upon receiving such written notification, copy the same to the Vendor and to the other members.

15.7 Rights of Vendor

A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition ("**Total Transfer Condition**") that unless all the shares comprised therein are sold by the Company pursuant to this Article 15 none shall be sold. Any such provision shall be binding on the Company.

The Vendor shall be entitled, by notice in writing given to the Company within ten days of the service upon him of a copy of the written notification of the Valuer's decision regarding the Sale Price, to cancel the Transfer Notice unless the shares are to be sold pursuant to a Deemed Transfer Notice. If the Vendor cancels the Transfer Notice the Vendor shall bear the cost of obtaining the Valuer's determination regarding the Sale Price. Save as provided by the foregoing provisions of this Article 15.7, a Transfer Notice and Deemed Transfer Notice shall not be capable of being cancelled or otherwise withdrawn unless all of the members, other than the Vendor, otherwise agree.

15.8 Pre-emptive offers - General

Unless the Vendor validly cancels the Transfer Notice the Sale Shares shall be offered for sale as set out below once the Sale Price is determined. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

15.9 The Offers

As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to the following persons in the following order:

(FIRST OFFER) such Sale Shares shall be offered to the holders of Shares (other than the Vendor), *pro rata* as nearly as may be to the respective numbers of Shares held by such members (but only to the extent that shares held by those members are not at the time of the offer subject to a Transfer Notice or Deemed Transfer Notice) (the "**First Offer**");

(SECOND OFFER) if at the end of the period in which the First Offer remains open there are any Sale Shares which have not been accepted pursuant to the First Offer, such shares shall be offered to such members as stated their willingness to purchase all the Sale Shares offered to them pursuant to the First Offer, *pro rata* as nearly as may be to the respective numbers of shares held by such members.

Thereafter, the Company shall continue to make offers (the "**Subsequent Offers**") on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

Any offer made under this Article 15.9 will invite the relevant person(s) to state in writing the number of the shares offered to them which they wish to purchase and will remain open for a period of 21 days.

15.10 Transfer procedure for pre-emptive offers

If the Company finds purchasers for all or, in the case where there is no Total Transfer Condition, any of the Sale Shares under the terms of this Article 15, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or, in the case where there is no Total Transfer Condition, such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall, subject to the Act and to the appropriate Stamp Duty having been paid on the transfers, enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them.

15.11 Transfers free of pre-emption

If the Company does not find purchasers for all, or in the case where there is no Total Transfer Condition, some of the Sale Shares under the terms of this Article 15 then the Vendor may at any time within 12 months after the expiry of the last offer made under Article 15.9 sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price and the directors shall register any such transfer. However if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.

15.12 Effect of non-compliance

Any purported transfer of shares made otherwise than in accordance with the provisions of these Articles shall be void and have no effect unless all of the members (other than the transferor) shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors.

15.13 Prohibited Transfers

Notwithstanding any other provision of these Articles, no transfer of any share shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or any person of unsound mind.

DRAG ALONG

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- 16.1 If at any time or times any *bona fide* third party (who is not a permitted transferee of any Shareholder under Article 15.1) (the "**Purchaser**") makes a *bona fide* arms length offer to purchase the then entire issued share capital of the Company and a Qualified Majority (together, "**the Accepting Shareholders**") wish to transfer their interest in those shares to the Purchaser then the Accepting Shareholders shall have the option (the "**Drag Along Option**") to require all of the shareholders (the "**Called Shareholders**") to sell and transfer their shares to the Purchaser or as the Purchaser shall direct in accordance with the provisions of this Article 16.
- 16.2 The Accepting Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (a "**Drag Along Notice**") at any time prior to the transfer of the shares held by the Accepting Shareholders to the Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "**Called Shares**") pursuant to these Articles, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 16.5) and the proposed date of the transfer.
- 16.3 A Drag Along Notice shall be irrevocable but will lapse if for any reason the sale to the Purchaser does not complete within 60 days after the date of service of the Drag Along Notice. A further Drag Along Notice may be served following the lapse of any particular Drag Along Notice.
- 16.4 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or otherwise (a "**New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Purchaser or as the Purchaser may direct and the provisions of this Article 16 shall apply *mutatis mutandis* to the New Member.
- 16.5 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same price per share (which shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Purchaser) as that offered by the Purchaser pursuant to Article 16.1 so that each share shall be attributed an equal value.
- 16.6 In the case of an exercise of the Drag Along Option completion of the sale and purchase of the Called Shares shall take place on the same date as the date proposed for completion of the transfer of the shares proposed to be transferred by the Accepting Shareholders unless:

- 16.6.1 the Accepting Shareholders agree otherwise; or
- 16.6.2 that date is less than 3 days after the Drag Along Notice in which case it shall be deferred until the third day after the Drag Along Notice.
- 16.7 Any rights of pre-emption set out in these Articles (if any) shall not arise on any transfer of shares to a Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served and each shareholder hereby waives any and all such rights of pre-emption to which he may be entitled in respect of such a transfer.
- 16.8 If any shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Purchaser (or as he may direct) and the Directors shall, subject to the transfer(s) being duly stamped, forthwith register the Purchaser (or as he may direct) as the holder thereof and, after the Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares that no share certificate has been produced

TAG ALONG

- 17. No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of a Qualified Majority if as a result of such sale or transfer and registration thereof there is a change in the legal or beneficial ownership of any shares in the share capital of the Company which results in any party together with any person acting in concert (within the meaning given to the City Code on Takeovers and Mergers as in force at the date of adoption of these Articles) with such party (a "**Controlling Shareholder**") holding a controlling interest (being an interest in shares in the capital of the Company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in the Company) unless the Controlling Shareholder is an independent third party acting in good faith and has or have offered to purchase the entire issued share capital of the Company in which case all holders of shares in the capital of the Company shall have the right to sell their shares to the Controlling Shareholder at the same price per share (in cash or otherwise) and substantially on the same terms and conditions on which the Controlling Shareholder proposes to acquire such controlling interest.

ASSET SALE

- 18. Upon the occurrence of an Asset Sale all of the members shall procure that the Company is wound up and shall take all such steps as are required to wind up the Company and return the capital and assets of the Company to the members in accordance with these Articles.

NOTICE OF GENERAL MEETINGS

- 19. In Regulation 38 of Table A the words "or a resolution appointing a person as a director" shall be deleted.

PROCEEDINGS AT GENERAL MEETINGS

- 20. Regulations 40, 41 and 50 of Table A shall not apply to the Company.

21. No business shall be transacted at any general meeting unless a quorum is present. Save as otherwise herein prescribed, two persons (including a duly authorised representative of each of Northern Edge and SE) entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
22. If, and for so long as, the Company has only one member, that member present in person or by proxy, or, if that member is a corporation, by a duly authorised representative, shall be a quorum.
23. If a quorum is not present within half an hour from the time appointed for a general meeting, the meeting, if commenced on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor, the member or members present, whether in person or by proxy or, in the case of a corporation, by its duly authorised representative, shall be a quorum.
24. If, and for so long as, the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, then, subject to compliance with Sections 168 and 511 of the Act (if applicable), that decision shall be as valid and effective as if agreed by the Company in general meeting.
25. In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 of Table A shall be extended accordingly and shall apply *mutatis mutandis* to resolutions in writing of any class of members.
26. No resolution not previously approved by the directors shall be moved by any member other than a director at a general meeting unless a copy of the resolution with the name and address of the member intending to move the same has been deposited at the registered office of the Company at least three clear days prior to such meeting.
27. In Regulation 59 of Table A the word "not" shall be inserted before the word "appoint".
28. An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof) must either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or taking of the poll. The instrument may be in the form of a facsimile or other machine made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 of Table A shall not apply to the Company.

APPOINTMENT AND RETIREMENT OF DIRECTORS

29. The directors shall not be less than two in number. Regulation 64 of Table A shall be modified accordingly.
30. In any case where, as a result of the death of a sole member of the Company, the Company has no members and no directors the personal representatives of such deceased members shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in general meeting.
31. The directors shall not be required to retire by rotation. Regulations 73 to 75 inclusive and the second and last sentences of Regulation 79 of Table A shall not apply to the Company, and other references in Table A to retirement of directors by rotation shall be disregarded.
32. In addition to the circumstances in which the office of a director is vacated under Regulation 81 of Table A, the office shall be vacated if a director is removed from office by notice given to him by all the other directors, provided always that this Article 32 shall not apply to any director appointed pursuant to Article 36.
33. In addition and without prejudice to the provisions of Section 168 of the Act, the Company may, subject to Article 36, by special resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.
34. In its application to the Company, Regulation 81 of Table A shall be modified by the deletion of paragraph (e) and the addition of the following paragraph:
 "(e) he is removed from office under the provisions of Article 33;"
35. A director shall not be required to hold shares of the Company in order to qualify for office as a director, but he shall be entitled to receive notice of and attend and speak at all general meetings of the Company or of any class of members of the Company.

NOMINATED DIRECTORS

36. Notwithstanding any limitation on number imposed by these Articles from time to time:-
 - 36.1 Northern Edge shall be entitled, by notice in writing, to nominate and appoint, 1 director of the Company and the following provisions shall have effect:
 - 36.1.1 any such appointment shall be made by notice in writing to the Company by Northern Edge and Northern Edge may in like manner at any time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office; and
 - 36.1.2 upon any resolution pursuant to Section 168 of the Act or Article 33 for the removal of any director appointed pursuant to this Article 36 and for the time being holding office pursuant to this Article, Northern Edge shall have the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company; and
 - 36.2 Scottish Enterprise shall be entitled, by notice in writing, to nominate and appoint, 1 director of the Company and the following provisions shall have effect:
 - 36.2.1 any such appointment shall be made by notice in writing to the Company by Scottish Enterprise and Scottish Enterprise may in like manner at any

time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office; and

- 36.2.2 upon any resolution pursuant to Section 168 of the Act or Article 33 for the removal of any director appointed pursuant to this Article 36 and for the time being holding office pursuant to this Article, Scottish Enterprise shall have the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company.

BORROWING POWERS

37. The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof and, where relevant, subject to Section 551 of the Act and Article 6 of these Articles, to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, and similarly to give any guarantee or indemnity in respect of any obligation of a third party which the Company is empowered to give.

ALTERNATE DIRECTORS

38. An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements and to be repaid and to be indemnified to the same extent *mutatis mutandis* as if he were a director. He shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
39. An alternate director shall be entitled to receive notices of meetings of the directors and of any committee of the directors of which his appointor is a member and shall be entitled to attend and vote as a director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a director and for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a director. If he shall be himself a director or shall attend any such meeting as an alternate for more than one director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the directors shall be as effective as the signature of his appointor. An alternate director shall not (save as aforesaid) have power to act as a director, nor shall he be deemed to be a director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 of Table A shall not apply to the Company.
40. The appointment of an alternate director who is himself a director shall determine if he ceases to be a director. In any other case, the appointment of an alternative director shall determine on the happening of any event which, if he were a director, would cause him to vacate office as a director (other than non-attendance at meetings of the directors at which his appointor is present).
41. The appointment of an alternate director by a director appointed pursuant to Article 36 hereof shall not require approval by a resolution of the directors, and in its application to the Company Regulation 65 of Table A shall be modified accordingly.

POWERS OF DIRECTORS

42. The directors on behalf of the Company may establish, maintain, participate in and contribute to, or procure the establishment and maintenance of, participation in and contribution to, any pension, superannuation, benevolent or life assurance fund, scheme or arrangement (whether contributory or otherwise) for the benefit of any persons (including directors, former directors, officers and former officers) who are or shall have been at any time in the employment or service of the Company or of any company which at the time is or was a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company or otherwise associated with the Company or of the predecessors of the Company in business or of any such other company as aforesaid, or for the benefit of the relations, wives, widows, families, connections or dependants of any such persons or for the benefit of any other persons whose service or services have directly or indirectly been of benefit to the Company and their relations, connections or dependants, and the directors on behalf of the Company may grant or procure the grant of donations, gratuities, pensions, allowances, including allowances on death, or other payments of any kind to any of such persons as aforesaid; and the directors on behalf of the Company may establish, subsidise, subscribe to or support institutions, associations, clubs, schools, funds or trusts for the benefit of any of such persons as aforesaid or otherwise for the advancement of the interests and well-being of the Company or of any such other company as aforesaid or its members; and the directors on behalf of the Company may make payments for or towards the insurance of any of such persons as aforesaid. Any such director or ex-director may participate in and retain for his own benefit any such donation, gratuity, pension, allowance, payment or other benefit conferred under or pursuant to this Article.
43. The directors may establish and contribute to any employees' share scheme (within the meaning of Section 1166 of the Act) for the purchase or subscription by trustees of shares of the Company or of a holding company of the Company and may lend money to the Company's employees to enable them to purchase or subscribe for shares of the same; and may establish and maintain any option or incentive scheme whereby selected employees (including salaried directors and officers) of the Company are given the opportunity of acquiring shares in the capital of the Company; and may formulate and carry into effect any scheme for sharing the profits of the Company with its employees (including salaried directors and officers) or any of them. Any director may participate in and retain for his own benefit any such shares, profit or other benefit conferred under or pursuant to this Article.

PROCEEDINGS OF DIRECTORS

44. Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.
45. A resolution in writing signed by all the directors for the time being in the United Kingdom shall be as effective as a resolution passed at a meeting of the directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.
46. Without prejudice to the first sentence of Regulation 88 of Table A, a meeting of the directors, or of 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 to speak to each of the others and to be heard by each of the others simultaneously. Alternatively, such a meeting may take place by a telephone call or series of telephone calls from the chairman of the director or of the relevant committee to all other directors or to all other members of the relevant committee (as the case may be). A director taking part in such a conference or telephone call shall be deemed to be present in person

at a meeting (whether or not two or more persons shall have been present in one place) and shall be entitled to vote and be counted in the quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no such group or if the meeting takes place by a telephone call or series of telephone calls from the chairman of the director or of the relevant committee, where the chairman of the directors or of the relevant committee then is. The word "meeting" when referring to a meeting of the directors, or of a committee of the directors, in these Articles shall be construed accordingly.

47. Directors who are absent from the United Kingdom shall be entitled to the same notice of all meetings of the directors as directors not so absent and the third sentence of Regulation 88 shall not apply. If a director who is absent from the United Kingdom does not advise the Company in writing of his overseas address, notice to his usual address in the United Kingdom shall be deemed sufficient notice for the purposes of this Article.

DIRECTOR'S CONFLICTS OF INTEREST

48. Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- 48.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- 48.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- 48.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- 48.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- 48.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this Article.

49. For the purposes of Article 48:

- 49.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- 49.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 49.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in

relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

50. For the purposes of Section 175 of the Act ("S.175"), the Directors shall have the power to authorise any matter proposed to them in accordance with these Articles which would, if not so authorised, involve a breach of the duty of a Director under S.175 to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
51. Any authorisation under Article 50 will be effective only if:
 - 51.1 the matter in question shall have been proposed for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve; and
 - 51.2 any requirement as to the quorum at a meeting at which the matter is considered is met without counting the director in question or any other interested director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
52. Any authorisation of a matter under Article 50 may be given on such terms as the Directors may determine. Such authorisation may be given subject to any conditions or limitations the Directors impose, whether at the time of giving the authorisation or subsequently, but such authorisation is otherwise given to the fullest extent permitted. A Director shall comply with any obligations imposed upon him or undertakings given by him pursuant to such authorisation. The Directors may vary or terminate any such authorisation at any time.
53. Any authorisation of a matter pursuant to Article 50 shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

NOTICES

54. A member whose registered address is not within the United Kingdom shall be entitled to have notices sent to him as if he were a member with a registered address within the United Kingdom and the last sentence of Regulation 112 of Table A shall not apply.

EXECUTION OF DOCUMENTS

55. In its application to the Company Regulation 101 of Table A shall be modified by the addition of the following sentence:

"Any instrument expressed to be executed by the Company and signed by two directors, or by one director and the Secretary, by the authority of the directors or of a committee authorised by the directors shall (to the extent permitted by the Act) have effect as if executed by the seal."

DIVIDENDS

56. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 13 and in Regulation 103 of Table A the words from "If the share capital is divided" to the end of the Regulation shall be deleted.

INDEMNITY

57. Regulation 118 of Table A shall not apply to the Company.

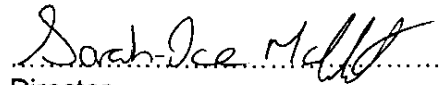
58. Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs, charges, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under Section 661(3) or (4) or Section 1157 of the Act in which relief is granted to him by the court, and no director or other officer shall be liable for any loss, damage or misfortune which shall happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto provided that this Article shall only have effect insofar as its provisions are not avoided by Section 533 of the Act.
59. Without prejudice to Article 58, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any Relevant Company (as defined in Article 60) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including but not limited to insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
60. For the purposes of Article 59 "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest, whether direct or indirect, or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

SUBSIDIARIES

61. The board of directors of the Company shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and any subsidiary of it so as to secure (but as regards any such subsidiary only in so far as by the exercise of such rights or powers of control by the board can secure) that:
- 61.1 no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or one of its wholly owned subsidiaries; and
- 61.2 neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its wholly owned subsidiaries;

without in either case the previous consent in writing of a Qualified Majority.

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Director