

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

NOTICE OF RESOLUTIONS PASSED OF
BOYLE ELECTRICAL GENERATION LIMITED (the "Company")
(company number SC320995)

By written resolutions passed on 23 December 2010, the following resolutions were duly passed as ordinary and special resolutions:

SPECIAL RESOLUTION

1. **THAT**, the articles of association attached to this resolution be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company ("**New Articles**").

ORDINARY RESOLUTION

2. **THAT**, pursuant to and in accordance with section 551 of the Act, the Directors be and hereby are unconditionally authorised to exercise for the period of 5 years from the date when this resolution is passed all the powers of the Company to allot "D" ordinary shares of £1.00 each in the capital of the Company (the "**D**" **Ordinary Shares**") or to grant rights to subscribe for, or to convert any security into, "D" Ordinary Shares up to an aggregate nominal amount of £13,200, such authority to be limited to the issue of up to, in aggregate, 13,200 "D" Ordinary Shares as shall be required in order to effect and implement the terms of a capitalisation agreement proposed to be entered into on or about the date hereof and made between the Company (1), Keydata Income VCT 1 plc (2) and Keydata Income VCT 2 plc (3).

SPECIAL RESOLUTIONS

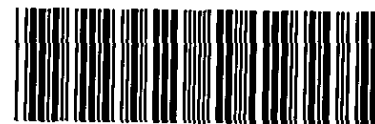
3. **THAT**, the provisions of article 5 of the New Articles be and hereby are disapplied and waived in respect of the proposed issue of the "D" Ordinary Shares pursuant to the authority conferred by Resolution 2 above.
4. **THAT**, to the extent that consent is required from the holders of Ordinary Shares of £1.00 each in the capital of the Company to the passing of any of the above resolutions, by agreeing to the above resolutions, such consent is hereby given by the holders of at least 75% of the issued shares of such class.

Dr...

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Director

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COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by written resolution dated 23 December 2010)

of

BOYLE ELECTRICAL GENERATION LIMITED
(Company Number SC320995)

Reference: KXP/F0939.108



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THE COMPANIES ACTS 1985 AND 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by written resolution dated 23 December 2010)

-of-

**BOYLE ELECTRICAL GENERATION LIMITED
("the Company")**

1. INTRODUCTION

- 1.1 The Regulations contained or incorporated 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 2007, the Companies (Tables A to F) (Amendment No 2) Regulations 2007 and The Companies Act 1985 (Electronic Communications) Order 2000 and as otherwise amended prior to the adoption of these Articles (so far as it relates to private companies limited by shares) ("Table A") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" in the first paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, enactment and extension thereof for the time being in force." shall be inserted at the end of that Regulation.
- 1.3 Regulations 8, 40, 41, 54, 64, 73 to 79 (inclusive), 82, 87, 89, 94 to 97 (inclusive) and 118 of Table A shall not apply to the Company.

2. DEFINITIONS

- 2.1 In these Articles the following words and expressions shall have the following meanings:

"A" Shareholders"	the holders for the time being of the issued "A" Ordinary Shares;
"A" Ordinary Shares"	the "A" Ordinary Shares of £0.001 (1/10th penny) each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"the 2006 Act"	the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force, as amended;
"Acceptance Period"	the period during which an offer made under Article 11.7 is open for acceptance;
"Agreed Terms"	the form signed or initialled by a Director on behalf of the Company and by Martineau on behalf of the Investors;
"Auditors"	the auditors for the time being of the Company;
"Beneficial Owner"	as defined in Article 10.1.3;
"the Called Shareholders"	as defined in Article 16.1;
"the Companies Acts"	as defined in the 2006 Act;
"company"	includes any body corporate;
"Connected"	as defined by Section 993 of the Tax Act; provided however that any determination of fact as to whether two or more persons are acting together shall, in the absence of any ruling by HM Revenue & Customs, be made by the tax advisers appointed by the Investors acting as experts and not as arbitrators and whose certificate or certificates from time to time shall be final and binding on the Company and all shareholders;
"D" Shareholders"	the holders for the time being of the issued "D" Ordinary Shares;
"D" Ordinary Shares"	the "D" Ordinary Shares of £1.00 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"the Drag Along Price"	as defined in Article 16.1;
"the Drag Along Right"	as defined in Article 16.1;
"Deed of Adherence"	a deed of adherence to the terms of the Investment Agreement in such form as may be reasonably approved by the Investor Director or, if none has been appointed, by an Investor Majority;
"the Directors"	the directors for the time being of the Company or (as the

	context shall require) any of them (each a "Director") acting as the board of directors of the Company;
"Directors' Employment Contracts"	any contract, agreement or other terms of employment or services between a Director and the Company from time to time;
"Equity Shares"	Ordinary Shares, "A" Ordinary Shares and "D" Ordinary Shares;
"equity share capital", "subsidiary" and "holding company"	shall have the meanings set out in Sections 548 and 1159 of the 2006 Act;
"Excess Shares"	as defined in Article 11.9.1;
"Excluded Person"	<p>(i) any Member (or other person entitled to a Share in the manner set out in Article 0) whom the Directors are entitled under Article 10.2, Article 0 or Article 14 to require to give a Transfer Notice (but only throughout such time as the Directors are entitled to require him to give a Transfer Notice);</p> <p>(ii) any Member or other person who has been required to give a Transfer Notice under Article 10.2, Article 0 or Article 14 (whether or not that requirement has been complied with);</p>
"Group"	the Company and its subsidiaries from time to time;
"the Investment Agreement"	the investment agreement in Agreed Terms to be entered into on the date hereof between the Company (1), the Directors (as defined therein) (2), Keydata Income VCT 1 plc (3), Keydata Income VCT 2 plc (4), Foresight VCT plc (5), Foresight 2 VCT plc (6), Foresight 3 VCT plc (7), Foresight 4 VCT plc (8) and Docherty Heat and Energy Distributor Limited (9);
"Investor Director"	a person appointed as a director of the Company pursuant to Article 21.1;
"Investors' Loans"	the loans advanced by the Investors to the Company pursuant to the Investment Agreement and any subsequent loans advanced to the Company by any one of them, and an "Investor's Loan" shall mean any of the Investors' Loans, so made;
"Investor Majority"	Investors together holding (by reference to number of shares held) at least 50% of the Equity Shares (other than "D" Ordinary Shares) for the time being in issue to all the Investors (and for the purposes of this definition the Equity Shares (other than "D" Ordinary Shares) shall be treated as if they constituted one class of share);

"Investors"	the holders for the time being of Equity Shares (other than "D" Ordinary Shares);
"Listed or Listing"	<ul style="list-style-type: none"> (i) the admission of all or any of the Shares (or any part thereof) to the Official List of the UK Listing Authority and the admission of all or any of such Shares to trading on the main market of the London Stock Exchange plc; or (ii) the same being admitted to trading on the Alternative Investment Market; or (iii) the same being admitted to trading on any recognised investment exchange as defined by Section 285 of the Financial Services and Markets Act 2000; or (iv) the same being admitted to trading on the New York or American Stock Exchange or the NASDAQ National market in the United States of America; or (v) the same being admitted to trading on the Neuer Market; or (vi) the same being admitted to trading on such other stock exchange as the Investor Director (or, if none appointed, an Investor Majority) may agree with the Board;
"Member"	a holder of Shares;
"a Member of the same Group"	as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company;
"New Shares"	as defined in Article 4.4;
"Observer"	a person appointed as an observer to the Board pursuant to Article 21.5;
"Offer"	<p>either:</p> <ul style="list-style-type: none"> (i) an offer to purchase all the Equity Shares other than those already held by the offeror and/or any persons acting in concert with him (as defined in the City Code on Take-overs and Mergers); or (ii) the entering into of one or more agreements which will result in any persons who are acting in concert (as defined above) acquiring all the Equity Shares, which agreements are unconditional or subject only to conditions in the sole control of any or all of the persons who are acting in concert;

in each case being an offer or agreement which is approved in writing by the Investor Director or if none has been appointed an Investor Majority as being an offer or an agreement to which Articles 15 and 16 do not apply;

"the Offeror"	as defined in Article 16.1;
"Ordinary Shareholders"	the holders for the time being of the issued Ordinary Shares;
"Ordinary Shares"	the ordinary shares of £1.00 each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"the Prescribed Price"	the price per Sale Share agreed or determined pursuant to Article 11.4 or determined pursuant to Article 11.5;
"Proceedings"	as defined in Article 26.1;
"Proposing Transferee"	as defined in Article 15.1;
"Proposing Transferor"	a Member proposing to transfer or dispose of Equity Shares or any interest therein;
"Purchaser"	a Member willing to purchase Shares comprised in a Transfer Notice;
"the Relevant Transaction"	as defined in Article 15.1;
"Sale"	completion of the transaction(s) by which an Offer has arisen;
"the Sale Shares"	all Shares comprised in a Transfer Notice;
"Shares"	any share (of any class) in the capital of the Company from time to time;
"Tax Act"	the Income Tax Act 2007, as amended;
"Transfer Notice"	a written notice served by a Member on the Company, in accordance with Article 11 or deemed to have been served pursuant to Articles 10.2, 12, 13 or 14;
"Transferee Company"	a company for the time being holding Shares in consequence of a transfer or series of transfers of Shares between Members of the same Group (the relevant Transferor Company in the case of a series of transfers being the first transferor in that series);
"Transferor Company"	a company (other than a company which is also a Transferee Company in respect of the same Shares) which has transferred Shares to a Member of the same Group;

"VCT Legislation"	Section 416 of the Income and Corporation Tax Act 1988 and Part 5 and Part 6 of the Tax Act;
"the Vendors"	as defined in Article 16.1.

3. **SHARE CAPITAL**

- 3.1 The share capital of the Company at the date of adoption of these Articles comprises "A" Ordinary Shares, Ordinary Shares and "D" Ordinary Shares.
- 3.2 In these Articles, unless the context requires otherwise, references to Equity Shares shall include shares of those respective classes created and/or issued after the date of adoption of these Articles.
- 3.3 The liability of Members is limited.
- 3.4 None of the provisions contained in the Company's memorandum of association prior to 1 October 2009 which are to be treated as part of its articles by virtue of Section 28 of the 2006 Act shall apply to the Company or form part of these Articles.

4. **SHARE RIGHTS**

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

- 4.1 Income
- 4.1.1 Save as provided in Article 4.1.3, the distribution of any profits of the Company shall require the prior approval by special resolution.
- 4.1.2 The profits of the Company which the Company may so resolve to distribute shall be distributed as follows:
- 4.1.2.1 first, the sum of £1.00, in aggregate, shall be distributed amongst the holders of "D" Ordinary Shares *pari passu* in proportion to the number of "D" Ordinary Shares held by them respectively;
- 4.1.3 the balance of the amount available for distribution shall be distributed amongst the holders of Equity Shares (other than "D" Ordinary Shares) *pari passu* as if the Equity Shares (other than "D" Ordinary Shares) constituted one class of shares in proportion to the number of Equity Shares (other than "D" Ordinary Shares) held by them respectively.
- 4.1.4 No dividend shall be payable (unless the Investor Director consents in writing or, if none has been appointed, an Investor Majority consents in writing) (such consent not to be unreasonably withheld or delayed) on the Equity Shares if on the proposed payment date any amounts of capital of or any interest on the Investors' Loans remain outstanding.
- 4.1.5 Notwithstanding the foregoing and the provisions of Article 4.4, but without prejudice to the provisions of Article 4.4, in order to comply with the VCT Legislation, no single company which is a holder of Shares shall (together with any Connected person) be entitled to receive, if the whole of the income of the Company were in fact distributed among its participants (without regard to any rights which any holder has as a loan creditor or by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares), more than 50% of the amount so distributed. For these purposes the expressions "participant" and "loan creditor" shall bear the meanings respectively given to them by section 253 of the Tax Act and the expression "relevant

fixed rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act.

- 4.1.6 Regulations 102 to 105 (inclusive) of Table A shall be subject to this Article 4.1 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.

4.2 Capital

- 4.2.1 On a return of assets on a liquidation or capital reduction or similar, the assets of the Company remaining after the payment of its liabilities shall be distributed as follows:

- 4.2.1.1 first, the sum of £1.00, in aggregate, shall be distributed amongst the holders of "D" Ordinary Shares *pari passu* in proportion to the number of "D" Ordinary Shares held by them respectively;

- 4.2.1.2 the balance of the amount available for distribution shall be distributed amongst the holders of Equity Shares (other than "D" Ordinary Shares) *pari passu* as if the Equity Shares (other than "D" Ordinary Shares) constituted one class of shares in proportion to the number of Equity Shares (other than "D" Ordinary Shares) held by them respectively.

- 4.2.2 The proceeds of any Sale shall be distributed as follows:

- 4.2.2.1 first, the sum of £1.00, in aggregate, shall be distributed amongst the holders of "D" Ordinary Shares *pari passu* in proportion to the number of "D" Ordinary Shares held by them respectively;

- 4.2.2.2 the balance of the amount available for distribution shall be distributed amongst the holders of Equity Shares (other than "D" Ordinary Shares) *pari passu* as if the Equity Shares (other than "D" Ordinary Shares) constituted one class of shares in proportion to the number of Equity Shares (other than "D" Ordinary Shares) held by them respectively.

- 4.2.3 Notwithstanding any of the foregoing or the provisions of Article 4.4 but, without prejudice to the provisions of Article 4.4, in order to comply with the VCT Legislation, no single company which is a holder of Shares shall (together with any Connected person) be entitled (otherwise than by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares) on a return of assets on liquidation or capital reduction or otherwise (but, for the avoidance of doubt, not on a Sale) to receive more than 50% of the capital available for payment to all members. For those purposes the expression "relevant fixed-rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act.

4.3 Voting

Subject to the special rights or restrictions as to voting attached to any Shares:

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

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

4.3.3 notwithstanding the foregoing and the provisions of Article 4.4, but without prejudice to the provisions of Article 4.4 in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled to exercise more than 50% of the voting rights attaching to the equity share capital of the Company; and

4.3.4 the "D" Ordinary Shares shall not confer on the "D" Ordinary Shareholders the right to receive notice of, attend or vote at any general meeting of the Company.

4.4 Listing

4.4.1 Immediately prior to a Listing, each holder of Equity Shares (other than "D" Ordinary Shares) shall be entitled to subscribe for such number of additional Equity Shares of the relevant class (the "New Shares") in cash at par as would, in aggregate, when added to the Equity Shares of the relevant class held by him, represent the same percentage of the issued equity share capital (as enlarged firstly by that number of Equity Shares of the relevant class and secondly by all shares to be issued pursuant to the exercise of any options, warrants or other convertible rights and instruments prior to the Listing) as the percentage of the proceeds of Sale to which that holder would be entitled pursuant to Article 4.2.2 if the entire issued equity share capital of the Company were to be sold for a price equal to the valuation of the Company implied by the price at which dealings or trading (as appropriate) will commence on Listing as certified by the Company's stockbrokers or nominated advisers (as appropriate) acting as experts and not as arbitrators and whose certificate shall be final and binding.

4.4.2 In order to comply with the VCT Legislation, the entitlement of the Investors to subscribe for additional Equity Shares (other than "D" Ordinary Shares) pursuant to Article 4.4 may not be exercised, while any holder of Equity Shares (other than "D" Ordinary Shares) is a venture capital trust (within the meaning of Section 259 of the Tax Act) to the extent that the exercise of such right would result in any company (together with any person Connected with it) becoming the holder of more than 50% of the equity share capital of the Company or of the issued share capital of the Company for the time being.

5. **ISSUE OF NEW SHARES**

5.1 Subject to Article 5.2, any new Shares from time to time created shall before they are issued to any third party be offered to the holders of Equity Shares (other than "D" Ordinary Shares) in proportion to the number of Equity Shares (other than "D" Ordinary Shares) held by them (and for the purposes of this Article 5.1 the Equity Shares (other than "D" Ordinary Shares) shall be treated as if they constituted one class of share).

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

- 5.2 The provisions of Article 5.1 shall not apply to the issue of Shares pursuant to Article 4.4 and/or the Investment Agreement and may in any event be disapplied in relation to any class of Shares by special resolution.
- 5.3 Subject to this Article 5 and to the provisions of Sections 549 and 551 of the 2006 Act, the Shares in the capital of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no Shares shall be issued at a discount and that:
- 5.3.1 no Shares to which Article 5.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such Shares made under Article 5.1 unless the procedure set out in Article 5.1 is repeated in respect of such Shares (and so that the time limit set out in this Article 5.3.1 shall apply equally to any repetition of that procedure); and
- 5.3.2 no Shares shall be issued at a price less than that at which they were offered to the relevant Members in accordance with Article 5.1 and if the Directors are proposing to issue such shares wholly or partly for a non-cash consideration the cash equivalent of such consideration for the purposes of this sub-paragraph shall be as reasonably determined by the Auditors (or, if they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors) who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its members. For the avoidance of doubt this Article 5.3.2 shall not apply to the issue of any shares under Article 4.4 and/or the Investment Agreement; and
- 5.3.3 no Shares shall be allotted to any person who is not already a party to the Investment Agreement unless that person has first executed and delivered to the Company a Deed of Adherence.
- 5.4 The provisions of Sections 561(1) and 562(1) to (6) and 568(3) of the 2006 Act shall not apply to the Company.
- 5.5 The Investors shall be entitled to offer any right (in whole or in part) under Article 5 to subscribe for Equity Shares to any venture capital trust, venture capitalist, investment trust, investment company, limited partnership, EIS fund (approved or unapproved) or other such like entity advised or managed by the same investment adviser/manager to the relevant Investor.

6. VARIATION OF CLASS RIGHTS

- 6.1 Whenever the capital of the Company is divided into different classes of Shares, the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up:
- 6.1.1 in the case of the "D" Ordinary Shareholders, with the consent in writing of the holders of at least three-fourths of the issued "D" Ordinary Shares or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the class, but not otherwise, and;
- 6.1.2 in the case of the Ordinary Shareholders and the "A" Ordinary Shareholders, with the consent in writing of an Investor Director or, if none has been appointed, an Investor

Majority or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the relevant class.

6.1.3 To every such separate meeting, all the provisions of these Articles relating to general meetings of the Company shall apply (*mutatis mutandis*) except that:

6.1.3.1 the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in number of the issued Shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and

6.1.3.2 the holders of Shares of the class in question shall on a poll have one vote in respect of every Share of the class held by them respectively.

7. LIEN

The Company shall have a first and paramount lien on every share (whether or not fully paid) for all and any indebtedness of any holder thereof to the Company (whether a sole holder or one of two or more joint holders) in respect of the Shares concerned.

8. REGISTRATION OF TRANSFERS

8.1 The Directors shall be required (subject only to Regulation 24 of Table A and Article 8.2) to register promptly any transfer of Shares made in accordance with the provisions of these Articles provided a Deed of Adherence duly executed by relevant parties who are not already a party to the Investment Agreement is laid before the meeting at which the transfer is to be approved, but shall not register any transfer of Shares otherwise.

8.2 In addition to the circumstances set out in Regulation 24 of Table A, the Directors may refuse to register a transfer of a Share to a bankrupt, a minor or a person of unsound mind.

9. TRANSFERS PURSUANT TO OFFERS MADE UPON A CHANGE OF CONTROL OR PURSUANT TO DRAG ALONG RIGHTS

Subject to the provisions of Article 8 (in any case involving a transfer of less than all the Shares) any Shares may at any time be transferred by any Member pursuant to acceptance of any offer made to that Member under the requirements of Article 15 (Tag Along) or as contemplated by Article 16 (Drag Along).

10. PERMITTED TRANSFERS

10.1 Subject to the provisions of Article 8:

10.1.1 any Member, being a company, may transfer any Equity Shares to a member of the same Group as such Member save that the transferee can only hold the Equity Shares for so long as it is a member of the same Group as the original Member and on the transferee ceasing to be a member of that Group the transferee will transfer the shares back to the original Member;

10.1.2 any Investor may transfer any Equity Shares to another party who or which is (i) a venture capital trust, venture capitalist, investment trust, investment company, limited partnership or such like entity, (ii) an Investor, (iii) an acquirer of an Investor or (iv) the fund manager/adviser to an Investor or an employee, member or partner of the fund manager/adviser to an Investor;

10.1.3 any Equity Shares held by a nominee for their beneficial owner ("the Beneficial Owner") may be transferred by the nominee to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only. Any Equity Shares may be transferred by the Beneficial Owner to a person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only. Where any person to whom any Equity Shares have been transferred as a nominee ceases to hold such Equity Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Equity Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Equity Shares.

10.2 In the event that a Transferee Company holding Relevant Shares ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 10.1.1) the Relevant Shares were derived the Member holding the shares shall notify the Directors in writing that such an event has occurred and such Member shall be bound, if and when required in writing by the Directors to do so, to give a Transfer Notice in respect of the Relevant Shares (but without specifying a proposed Prescribed Price (so that the Prescribed Price shall be determined pursuant to Article 11.4 and Article 11.5) and so that the right of revocation conferred by Article 11.10 shall not apply).

For the purposes of Article 10.2 the expression "the Relevant Shares" means (so far as the same remain held by any Transferee Company) the Shares originally transferred to the trustees or to the Transferee Company and any additional Shares issued to such trustees or Transferee Company by way of a capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them or the membership thereby conferred.

11. **PRE-EMPTION RIGHTS**

11.1 The right to transfer Equity Shares or any interest therein shall (subject to and without prejudice to the provisions of Articles 9 and 10) be subject to the following restrictions, save that such restrictions shall not apply to any transfer of Equity Shares pursuant to the acceptance of an offer made pursuant to Article 14 or to the proposed sale pursuant to Article 15.1 of the Equity Shares for the time being in issue where the Vendors (as defined in Article 16) exercise the Drag Along Right pursuant to Article 16.

11.2 Before transferring or disposing of any Equity Shares (or any interest in Equity Shares) the Proposing Transferor shall serve a notice on the Company specifying the number and class of Equity Shares in question and the proposed price for such shares, and the Transfer Notice shall constitute the Company his agent for the sale of those Equity Shares at the Prescribed Price to any Member or Members. Except as provided in this Article, a Transfer Notice once given or deemed to be given shall not be revocable except with the consent of the Directors.

11.3 A Transfer Notice may comprise Equity Shares of more than one class and shall, if the Proposing Transferor has received any offer to purchase Equity Shares (whether or not an offer capable of becoming legally binding upon acceptance) within the period of three months prior to service of the Transfer Notice, give the name of the offeror, the number and class of Equity Shares concerned and the price offered in respect of each such Equity Share. A Transfer Notice may not be given by an Excluded Person unless required by the Directors under Article 10.2, Article 12 or Article 13.

- 11.4 The Directors will endeavour to agree the Prescribed Price with the Proposing Transferor. If the Directors fail to agree the Prescribed Price with the Proposing Transferor within 14 days of receipt of the Transfer Notice by the Company or, as applicable, a Transfer Notice having been deemed to have been served, the Directors shall request the Auditors (or, if they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors or, in the event of disagreement, appointed on the application of the Proposing Transferor or of the Directors by the President of the Institute of Chartered Accountants in England and Wales and the provisions relating to Auditors in this Article 11 shall apply to such independent firm of chartered accountants) (acting as experts and not as arbitrators) to certify the Prescribed Price.
- 11.5 The Auditors shall (acting as experts and not arbitrators) within 14 days of such a request certify to the Company the Prescribed Price, being the value of each Sale Share (or, where appropriate of each Sale Share of each class) calculated on the following basis:
- 11.5.1 where the Sale Shares are "D" Ordinary Shares the prescribed price in respect of all those "D" Ordinary Shares shall be £1.00, in aggregate;
- 11.5.2 otherwise by determining the sum which a willing purchaser would offer to a willing vendor for all the issued Equity Shares (other than "D" Ordinary Shares);
- 11.5.3 by dividing the resultant figure between the Equity Shares (other than "D" Ordinary Shares) by applying the provisions of Article 4.2.2 as if that sum were the proceeds of a Sale.
- 11.6 The Auditors' certificate as to the Prescribed Price shall be final and binding.
- 11.7 Within 21 days following receipt of the Transfer Notice or (where relevant) the date on which the Transfer Notice is deemed to have been given or where the Prescribed Price is certified by the Auditors the date of certification of the Prescribed Price, the Company shall offer the Sale Shares to each Member (other than the Proposing Transferor, any "D" Shareholder and/or any Excluded Person) in accordance with the provisions of Articles 11.8 and 11.9 for purchase at the Prescribed Price. All offers shall be made by notice in writing and state a time (being between 30 and 42 days inclusive following the date of such notice) within which the offer must be accepted or, in default, will be deemed to have been declined. A copy of such offer shall at the same time be sent by the Company to the Proposing Transferor.
- 11.8 The Company shall offer the Sale Shares to the holders of Equity Shares (other than "D" Ordinary Shares) in proportion to the number of Equity Shares (other than "D" Ordinary Shares) held by them respectively (and for the purposes of this Article the Equity Shares (other than the "D" Ordinary Shares) shall be treated as if they constituted one class of share).
- 11.9 The Sale Shares shall be offered on the following basis:
- 11.9.1 any Member to whom the Sale Shares are offered may accept all or some only of the Sale Shares offered to him, and shall be invited to indicate whether, if he accepts all such Sale Shares, he wishes to purchase any Sale Shares which other relevant Members decline to accept ("Excess Shares") and, if so, the maximum number of Excess Shares which he wishes to purchase;

- 11.9.2 any Excess Shares shall be allocated between the Members who have indicated that they wish to purchase Excess Shares pro rata to the proportion of the total number of Equity Shares (other than "D" Ordinary Shares) held by those Members but so that no Member shall be required or entitled to receive more than the maximum number indicated by him pursuant to Article 11.9.1;
- 11.9.3 subject to the provisions of this Article and Article 11.8, the Purchasers shall be bound to purchase the Sale Shares properly allocated to them under the provisions of this Article 11.9 at the Prescribed Price in accordance with the provisions of Article 11.5.
- 11.10 Not later than 7 days following the expiration of the Acceptance Period the Company shall give written notice to the Proposing Transferor stating:
- 11.10.1 if it is the case, that no Member has sought to purchase any of the Sale Shares; or, otherwise
- 11.10.2 the number of Sale Shares which relevant Members have sought to purchase, giving the name and address of each Purchaser and the number of Sale Shares to be purchased by him.
- If within the Acceptance Period, Purchasers have been found for some only of the Sale Shares or if no Purchaser has been found for any of the Sale Shares, the Proposing Transferor may within 7 days of service on him of notice under this Article revoke his Transfer Notice by written notice to the Company.
- 11.11 If the Proposing Transferor is given notice under Article 11.10.2 (and subject to his not revoking his Transfer Notice in accordance with Article 11.10) he shall be bound on payment of the Prescribed Price to transfer the Sale Shares in question to the respective Purchasers. The sales and purchases shall be completed at the registered office of the Company during normal business hours on the first business day after the expiry of 14 days following the date of service of notice by the Company under Article 11.10.
- 11.12 If a Proposing Transferor fails to transfer any Sale Shares to a Purchaser after becoming bound to do so, the Directors may authorise any person to execute on behalf of and as attorney for the Proposing Transferor any necessary instruments of transfer and shall register the Purchaser as the holder of the relevant Sale Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser and the Company shall thereafter hold the purchase money on trust for the Proposing Transferor. After the name of the Purchaser has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 11.13 If the Company fails before the end of the Acceptance Period to find a Purchaser or Purchasers for any of the Sale Shares, the Proposing Transferor may (subject to Articles 8 and 11.15) sell all or any of the Sale Shares to any third party/parties.
- 11.14 If before the end of the Acceptance Period the Company finds a Purchaser or Purchasers for some (but not all) of the Sale Shares and serves notice accordingly under Article 11.10 the Proposing Transferor may (subject to Articles 8 and 11.15) sell all or any of the Sale Shares for which no Purchaser has been found to any third party/parties unless he revokes his Transfer Notice pursuant to Article 11.10 in which case he may sell all (but not some only) of the Sale Shares to any third party/parties.

- 11.15 The right of the Proposing Transferor to sell Sale Shares pursuant to Article 11.13 or Article 11.14 shall be subject to the following restrictions:
- 11.15.1 Sale Shares may not be sold after the expiry of three months after the date on which notice is given by the Company under Article 11.10;
- 11.15.2 Sale Shares must be sold on a bona fide sale at a price not less than the Prescribed Price and without any deduction, rebate or allowance whatsoever to the Purchaser;
- 11.15.3 the provisions of Article 13 (if applicable); and
- 11.15.4 no Equity Shares may be transferred, or disposed of, pursuant to this Article 11.15 by any person who is an Excluded Person unless the Directors resolve to approve such transfer or disposal.
- 11.16 The costs of the Auditors shall be borne as the Auditors may direct.
- 11.17 The restrictions imposed by this Article 11 may be waived in relation to any proposed transfer of Equity Shares with the consent of all holders of Equity Shares (other than "D" Ordinary Shares) who, but for such waiver, would or might have been entitled to have such Shares offered to them in accordance with Article 11.9.
- 11.18 For the purposes of Article 11.15.2 and calculating whether or not a price to be paid for the Sale Shares is more or less than the Prescribed Price, then the cash value of any non-cash consideration shall be that agreed between the Proposing Transferor and the Company, or if the Proposing Transferor and the Company fail to agree such cash value within 15 business days following the earlier of any request by the Proposing Transferor to so value any non-cash consideration and the submission to the Company of the relevant stock transfer form(s) relating to a transfer of the Sale Shares for non-cash consideration, the cash value shall be the amount certified as such as at the date of the earlier of the request for valuation and the purported transfer of the Sale Shares at the request of the Directors, by the Auditors (acting as experts and not arbitrators). Their certificate shall be final and binding.
- 11.19 The Investors shall be entitled to offer any right (whether in whole or part) under this Article 11 to purchase Equity Shares to any venture capital trust, venture capitalist, investment trust, investment company, limited partnership, EIS Fund (approved or unapproved) or other such like entity advised or managed by the same investment manager/adviser to be relevant Investor.

12. MANDATORY TRANSFERS

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

13. EVIDENCE OF COMPLIANCE

In any case where the Directors require in accordance with the provisions of these Articles, a Transfer Notice to be given and it is not duly given within a period of two weeks of notice being given requiring the Transfer Notice to be given, a Transfer Notice in respect of the Equity Shares in question shall be deemed to have been given at the expiration of that period. Any Transfer Notice deemed to have been given or required to be given under any provision of these Articles shall not be capable of revocation and

(notwithstanding any of the provisions of these Articles) shall extend not just to the shares registered in the name of the Member concerned but to any person Connected to him and/or to whom he has directly or indirectly transferred shares pursuant to Article 11.1.

14. EVIDENCE OF AUTHORISATION

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

15. TAG ALONG

15.1 Notwithstanding the provisions of Article 11, no sale or transfer of the legal or beneficial interest in any Equity Shares (other than "D" Ordinary Shares) ("the Relevant Transaction") (other than one made pursuant to Article 10) may be made or validly registered if as a result of such sale or transfer a Relevant Interest is obtained by a person (or persons acting in concert) where such person(s) did not have a Relevant Interest immediately prior to the Relevant Transaction, unless the Proposing Transferor shall have procured (and to the extent that it is accepted, completes) a written offer complying with the provisions of Article 15.3 to have been made by the proposed transferee (or any person or persons acting in concert with it) ("the Proposing Transferee") to the holders of all the other issued Equity Shares to acquire their entire holding of Equity Shares together (in the case of the Investors) with any additional shares which they are entitled to subscribe pursuant to Article 4.4 and the provisions of Article 11 shall not apply.

15.2 For the purpose of this Article 14:

15.2.1 the expression "a Relevant Interest" shall mean an interest in 50% or more of the Equity Shares (other than "D" Ordinary Shares) in issue for the time being (and for the purposes of this Article 15 the Equity Shares (other than the "D" Ordinary Shares) shall be treated as if they constituted one class of share);

15.2.2 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment; and

15.2.3 the expression "acting in concert" shall bear the meaning ascribed to it in the City Code on Take-overs and Mergers (as amended from time to time).

15.3 The offer referred to in Article 15.1 above shall be on terms that:

- 15.3.1 it will be open for acceptance in England and Wales for a period of at least 28 days following the making of the offer;
- 15.3.2 each Member to whom it is made shall be entitled to receive for each of the Equity Shares held by him a sum per share equal to the Specified Price;
- 15.3.3 the purchase of any shares in respect of which such offer is accepted shall be completed at the same time as the Relevant Transaction;
- 15.3.4 and otherwise on the same terms for all members (and for this purpose any offer which provides for any warranties or indemnities (other than warranties as to title and capacity) or restrictive covenants from some, but not all, Members shall be deemed to comply with this Article 14.3).
- 15.4 In the case of an offer made to a VCT Investor, that offer must also provide for the immediate repayment of that VCT Investor's Loan in full with any interest thereon.
- 15.5 The expression "the Specified Price" shall mean:
 - 15.5.1 in the case of all the "D" Ordinary Shares that are the subject of the Relevant Transaction a sum equal to £1.00, in aggregate; and
 - 15.5.2 otherwise a price per share which shall be determined by valuing the entire issued share capital of the Company ("the Sale Value") by reference to the aggregate of:
 - 15.5.2.1 the amount offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for each of the Equity Shares (other than "D" Ordinary Shares) comprised in the Relevant Interest to the holder or holders thereof or, if higher, the highest amount paid or payable for an Equity Share (other than a "D" Ordinary Share) in any related or previous transaction within the 12 months preceding the offer by the same purchaser or any person acting in concert with the Proposing Transferee; and
 - 15.5.3 an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Equity Shares (other than "D" Ordinary Shares) comprised in the Relevant Interest which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Relevant Interest (and, for the avoidance of doubt and without prejudice to the generality of the foregoing, any additional consideration which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable for the Relevant Interest)
- and allocating the resultant figure between the holders of Equity Shares by applying the provisions of Article 4.2.2 as if that sum were the proceeds of a Sale.
- 15.6 Any disagreement as to the calculation of the Specified Price which each Member is entitled to receive in respect of each share held by him for the purposes of this Article shall be referred to the Auditors (or, if a Member objects or they are unable to act or decline to act, an independent firm of chartered accountants appointed by the Directors or, in the event of disagreement, appointed on the application of the Proposing Transferor or of the Directors by the President of the Institute of Chartered Accountants in England and Wales and the provisions relating to Auditors in this Article 15 shall apply to such independent firm of chartered accountants) (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of manifest error) and the costs of the Auditors shall be borne by the Company.

16. **DRAG ALONG**

16.1 If:

16.1.1 one or more Members holding between them not less than 50% of the Equity Shares (other than "D" Ordinary Shares) for the time being in issue (and for the purposes of this Article 16 the Equity Shares (other than the "D" Ordinary Shares) shall be treated as if they constituted one class of share); or

16.1.2 no Sale or Listing of the Company has taken place by the fifth anniversary, the Investors (acting by Investor Majority)

("the Vendors") propose to sell the legal or beneficial interest in their entire holdings of Equity Shares to a person with whom none of them is Connected or one or more such persons acting in concert ("the Offeror") then the Vendors shall have the right to require the holders of all other issued Equity Shares in the Company ("the Called Shareholders") to sell and transfer their entire holdings of Equity Shares together (in the case of the Investors) with any additional shares for which they are entitled to subscribe pursuant to Article 4.4) to the Offeror (or as the Offeror shall direct) in accordance with this Article 16 ("the Drag Along Right") at a price ("the Drag Along Price") to be determined on the basis set out in Article 15.5 and otherwise on the terms specified in Articles 15.3.3 and 15.3.4 (as if the Vendors' proposed sale was a Relevant Transaction), provided that a VCT Investor may only be required to sell and transfer pursuant to an exercise of the Drag Along Right if that VCT Investor's Loan (if any) is, upon completion of the sale and transfer, repaid in full together with any accrued or unpaid interest thereon.

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

16.3 A Drag Along Notice shall specify that the Called Shareholders are, or will in accordance with this Article 16 be, required to sell and transfer their shares to the Offeror on or about the date specified in the Drag Along Notice (which shall be not less than 7 days after the date of the Drag Along Notice or (if no such date is specified in the Drag Along Notice) on or about such date as the Vendors may subsequently specify by notice in writing to the Called Shareholders (which shall be not less than 7 days after the date of the Drag Along Notice).

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

16.5 Subject to Article 16.4 and Article 16.5 each of the Called Shareholders shall be bound to sell his entire holding of Equity Shares and to transfer such shares in accordance with the provisions of the Drag Along Notice.

16.6 If any Called Shareholder fails to complete the sale of any of his shares pursuant to the Drag Along Notice or otherwise fails to take any action required of him under the terms of the Drag Along Right, the Directors (or any of them) may authorise any person to undertake on his behalf any action required under the terms of the Drag Along Right. In particular (but without limitation) the Directors shall have the same rights as given to them under Article 11.12.

16.7 Upon any person, following the giving of a Drag Along Notice (and where a Drag Along Notice has been given), becoming a member of the Company pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Equity Shares in the Company ("a New Member"), a Drag Along Notice shall be deemed to have been given to the New Member forthwith on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed to have been given to the New Member.

16.8 If the Vendors exercise the Drag Along Right, it shall not be necessary for them first to have given Transfer Notices pursuant to Article 11 nor to have complied with the provisions of Article 15.

17. PROCEEDINGS AT GENERAL MEETINGS

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

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

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

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

18. ALTERNATE DIRECTORS

At the end of Regulation 66 of Table A there shall be added the words:

"nor shall any meeting of the Directors be invalid because notice thereof or of any business to be transacted at that meeting was not given to any alternate director if his appointor attends such meeting."

19. APPOINTMENT AND RETIREMENT OF DIRECTORS

19.1 The Directors shall not be required to retire by rotation.

19.2 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of directors.

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

20. PROCEEDINGS OF THE DIRECTORS

20.1 The number of Directors shall not be less than two nor more than eight.

20.2 Subject to Article 20.6 the quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall be the Investor Director (or his alternate) if at the time of the meeting an Investor Director has been appointed.

20.3 Reasonable notice must be given of Directors' meetings.

20.4 At any meeting of the Directors each Director (or his alternate director) present at the meeting shall be entitled to one vote.

20.5 In the case of an equality of votes at any meeting of the Directors the chairman of such meeting shall not be entitled to a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

20.6 Subject to the provisions of the 2006 Act and provided that he has disclosed to the Directors the nature and extent of any interest of his, a Director notwithstanding his office:

20.6.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

20.6.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

20.6.3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

20.6.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

20.6.5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 20.6.1 to 20.6.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.

20.7 For the purposes of Article 20.6:

20.7.1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure

that the Director has an interest in any such transaction of the nature and extent so specified;

- 20.7.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- 20.8 an interest of a person who is Connected with a Director shall be treated as an interest of the Director and in relation to an alternate Director an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.
- 20.9 Save as otherwise specified in these Articles or the 2006 Act and subject to any limitations, conditions or terms attaching to any authorisation given by the Directors for the purposes of section 175(4)(b) of the 2006 Act, a Director may vote on, and be counted in the quorum in relation to, any resolution relating to a matter in which he has, or can have:
 - 20.9.1 a direct or indirect interest or duty which conflicts, or possibly may conflict, with the interests of the Company; and
 - 20.9.2 a conflict of interest arising in relation to an existing or a proposed transaction or arrangement with the Company.
- 20.10 If a Conflict Situation arises, the Directors may authorise it for the purposes of Section 175(4)(b) of the 2006 Act by a resolution of the Directors made in accordance with that section and these Articles. At the time of the authorisation, or at any time afterwards, the Directors may impose any limitations or conditions or grant the authority subject to such terms as (in each case) they consider appropriate and reasonable in all circumstances. Any authorisation may be revoked or varied at any time at the discretion of the Directors.
- 20.11 It is recognised that an Investor Director:
 - 20.11.1 may be an employee, consultant, director, member or other officer of the Investor or of an Investor Affiliate;
 - 20.11.2 may be taken to have, through previous or existing dealings, a commercial relationship with the Investor or with an Investor Affiliate;
 - 20.11.3 may be a director or other officer of, or be employed by, or otherwise involved in the business of other entities in which the Investor or an Investor Affiliate has or may have an interest from time to time; and
 - 20.11.4 shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such other directorship, membership, office, employment, relationship or his involvement with the Investor, with an Investor Affiliate or with any entity referred to in Article 20.11.3

and he shall not be in breach of the duties he owes to the Company as a result of any Conflict Situation which arises from the relationships contemplated by this Article, including (without limitation) in relation to proposals for financing or otherwise promoting the business of (whether in competition with the Company or not) any such other entity.
- 20.12 In the circumstances contemplated by Article 20.11 and notwithstanding any other provision of these Articles, each Director affected shall:

- 20.12.1 be entitled to receive any papers or other documents in relation to, or concerning, matters to which the Conflict Situation relates;
- 20.12.2 not be excluded from those parts of meetings of the Directors or meetings of a committee of the Directors at which matters to which the Conflict Situation relates are discussed;
- 20.12.3 be entitled to vote (and form a part of the quorum) at any such meeting.
- 20.13 Any information which a Director obtains, other than in his capacity as a Director of the Company, which is confidential in relation to an entity referred to in Article 20.12 need not be disclosed or used for the benefit of the Company where such disclosure or use would constitute a breach of confidence.
- 20.14 Any Director including an alternate Director may participate in a meeting of the Directors or a committee of the Directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Companies Acts, he shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
- 20.15 Regulation 88 of Table A shall be amended by substituting for the sentence:
- "It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom" the following sentence: "Notice of every meeting of the directors shall be given to each director and his alternate, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom or an e-mail address or a facsimile number outside the United Kingdom for service".

21. THE INVESTOR DIRECTOR

- 21.1 Notwithstanding any other provisions of these Articles, for so long as the Investors or any of them are holder(s) of any share(s) and/or Investors' Loans in the Company, they have the right (acting by Investor Majority if more than one) to appoint one person as a Director of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place.
- 21.2 The Investor Director shall not be required to hold any shares.
- 21.3 Any appointment or removal of the Investor Director appointed pursuant to Article 21.1 shall be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors.
- 21.4 For so long as the Investors are the holders of Equity Shares, on any resolution to remove the Investor Director the shares held by the Investors shall together carry at least one vote in excess of 75% of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed and if any such director is removed pursuant to Section 168 of the 2006 Act the Investors who appointed such director may reappoint him or any other person as their Investor Director in accordance with Article 21.1.

- 21.5 Notwithstanding any other provisions of these Articles, so long as the Investors or any of them are holder(s) of any share(s) and/or Investors' Loans in the Company, they shall have the right (acting by Investor Majority if more than one) to appoint one person as an Observer at board meetings of the Company and to remove from office any person so appointed and (subject to such removal) to appoint another person in his place.
- 21.6 The Observer shall be entitled to receive the same information concerning the business and affairs of the Company, as the directors of the Company receive, and at the same time, but shall not be entitled to vote at meetings of the directors and shall not be counted towards the quorum.
- 21.7 Any appointment or removal of the Observer shall be by notice in writing to the Company which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors.
- 21.8 The Investors may appoint either one Investor Director or one Observer at any one time.

22. DIRECTORS' BORROWING POWERS

- 22.1 Subject as hereinafter provided, and as set out in the Investment Agreement, the Directors may exercise all the powers of the Company (whether express or implied) of borrowing or securing the payment of money, of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and of mortgaging or charging the undertaking, property, assets and uncalled capital of the Company and (subject to Sections 549 and 551 of the 2006 Act) of issuing debentures.
- 22.2 Except with the prior sanction of the Investor Director or, if none has been appointed, an Investor Majority no mortgage or charge (save for liens arising by the operation of law) shall be created on any part of the undertaking, property, assets or uncalled capital of the Company or any subsidiary of the Company except for the purpose of securing money borrowed from bankers together with interest thereon and costs and expenses relating thereto.

23. THE SEAL

The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall only apply if the Company has a seal.

24. NOTICES

- 24.1 Without prejudice to the provisions of Regulation 112 of Table A, the Company may also give notice to a Member by e-mail to an e-mail address or by facsimile to a facsimile number supplied by the Member for such purposes.
- 24.2 Where a notice is sent by facsimile a transmission report showing that the facsimile was transmitted in full to the correct number shall be conclusive evidence that the notice was given and the notice shall be deemed to have been given at the time of transmission.

25. WINDING UP

In Regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

26. INDEMNITY

- 26.1 Subject to the Companies Acts and so far as may be permitted by law but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be entitled to be indemnified out of the assets of the Company against any and all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including without limitation any liability incurred by him in defending any proceedings, whether civil, regulatory or criminal ("Proceedings"), in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court, from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- 26.2 In addition to Article 26.1 and in accordance with the Companies Acts the Company may pay the defence costs of every director of the Company in relation to Proceedings brought against him by third parties and deal with the outcome of such Proceedings in the following ways subject to such exclusions as the board of directors may from time to time determine:
- 26.2.1 If judgment is given in the director's favour, the director will not be required to repay the defence costs to the Company.
- 26.2.2 If judgment is given against the director in the Proceedings the payments made in advance by the Company will be considered a loan to the director and will be repayable by the director subject to the following provisions:
- 26.3 In Civil proceedings the Company may, at its discretion, waive the loan in relation to defence costs. In addition, the Company may indemnify the director against any liabilities incurred.
- 26.4 In Regulatory proceedings the Company may at its discretion, waive the loan in relation to defence costs.
- 26.5 The provisions contained in Articles 26.1 and 26.2 will continue to apply even after the director ceases to be a director of the Company unless the director's employment is lawfully terminated in accordance with specified summary termination provisions in his service contract or letter of appointment.
- 26.6 Without prejudice to Article 26.1, the directors may effect 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 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 or were at any time interested including without limitation insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution of their duties and/or in the actual 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.
- 26.7 "Relevant Company" means the Company, any holding company or parent undertaking (as defined in section 1159 and section 1162 of the 2006 Act) from time to time of the Company or in which the Company or any such holding company or parent undertaking or any of the predecessors of the Company or of any such holding company or parent undertaking has or had at any time any interest, whether direct or indirect, or which is or was at any time in any way allied to or associated with the Company or any subsidiary or

subsidiary undertaking (as defined in section 1159 and section 1162 of the 2006 Act) of the Company or of such other company or undertaking.