

FOR INFO ONLY

CERTIFIED COPY RESOLUTIONS

PRIVATE COMPANY LIMITED BY SHARES

**CERTIFIED WRITTEN RESOLUTIONS
of**

**BAMN TECHNOLOGIES LIMITED
(the "Company")**

(Registered Number SC400459)

Effective date of the Resolution: 19 August 2011 (the "Effective Date")

The undernoted resolutions were duly passed as Special and Ordinary Resolutions of the Company by Written Resolution of the sole member of the Company on the Effective Date, viz:-

SPECIAL RESOLUTION

1. "THAT the Articles of Association in the form annexed be 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."
2. "THAT the name of the company be and is hereby changed from "BAMN Technologies Limited" to "miiCard Limited"."
3. "THAT all rights of pre-emption whether in terms of the Articles of Association of the Company, the Act or otherwise be and are hereby waived in respect of any allotment of shares made pursuant to resolution 4, 5 and 6 below."

ORDINARY RESOLUTIONS

4. "THAT, in accordance with section 551 of the Act, the sole director of the Company be and are hereby generally and unconditionally authorised to allot and issue up to 250,000 Ordinary Shares of £0.001 each credited as fully paid to The One Place Capital Limited (Company Number SC301187). This authority shall expire, unless sooner revoked or altered by the Company in general meeting, on 31 August 2011"

THURSDAY



SCT 25/08/2011 258
COMPANIES HOUSE

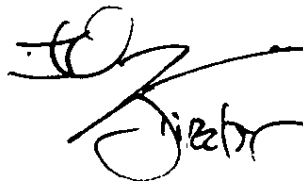
5. "THAT in accordance with section 551 of the Act, the director(s) of the Company be and are hereby generally and unconditionally authorised to allot and issue up to 142,857 Ordinary Shares of £0.001 each in the share capital of the Company pursuant to any "Approved Issue" of employee options as such term is defined in the Articles of Association to be adopted pursuant to Resolution 1 above. This authority shall expire, unless sooner revoked or altered by the Company in general meeting, on [18 August 2016] provided that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired."
6. THAT in accordance with section 551 of the Act, the director(s) of the Company be and are hereby generally and unconditionally authorised to allot shares in the share capital of the Company strictly in accordance with the terms of the Warrant Instrument constituted by the Company and granted in favour of the said The One Place Capital Limited which is dated on or around the date of this resolution (the "Warrant") provided such number of shares to be allotted pursuant to the Warrant does not exceed 250,000 Ordinary Shares of £0.001 each. This authority shall expire, unless sooner revoked or altered by the Company in general meeting, on 18 August 2016.

CERTIFIED A TRUE COPY


Sole Director

Date: 19 August 2011

These are the Articles
adopted by written
Resolution dated 19th August
2011



ARTICLES OF ASSOCIATION

of

BAMN TECHNOLOGIES LIMITED

Adopted by special resolution passed on 19 August 2011

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TABLE OF CONTENTS

1.	DEFINITION AND INTERPRETATION	2
2.	SHARE CAPITAL.....	9
3.	DIVIDEND AND RETURN ON CAPITAL.....	9
4.	ALLOTMENT OF SHARES.....	10
5.	TRANSFER OF SHARES: GENERAL	11
6.	PERMITTED TRANSFERS.....	12
7.	VOLUNTARY TRANSFERS.....	14
8.	DRAG ALONG AND TAG ALONG.....	16
9.	COMPULSORY TRANSFERS	17
10.	FAIR VALUE	19
11.	GENERAL MEETINGS.....	20
12.	APPOINTMENT AND REMOVAL OF DIRECTORS AND INVESTOR DIRECTOR ..	20
13.	ALTERNATE DIRECTORS	21
14.	PROCEEDINGS OF DIRECTORS	22
15.	CONFLICTS OF INTEREST.....	22
16.	NOTICES	24

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
BAMN TECHNOLOGIES LIMITED

(Adopted by written resolution passed on 19 August 2011)

1. DEFINITION AND INTERPRETATION

1.1 In these Articles unless the context otherwise requires each of the following words and expressions shall have the following meanings:

"Act"	the Companies Act 2006;
"Acting in concert"	the meaning set out in the City Code on Takeovers and Mergers for the time being;
"Approved Issue"	means the issue of the Shares pursuant to Article 2.5 and the issue of 250,000 Shares to One Place Capital Limited on the date of adoption of these Articles;
"Auditors"	the auditors of the Company for the time being unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall mean the accountants of the Company;
"Bad Leaver"	any Leaver who is not a Good Leaver;
"Board"	the Directors from time to time (including any Investor Directors if appointed);
"Business Day"	any day (other than a Saturday or Sunday) on which banks are open in Edinburgh for normal banking business;
"Change of Control"	means the obtaining of Control by any person who is not a shareholder of that entity at the date of adoption of these Articles;
"Control"	has the meaning given to it in the Investment Agreement;
"Controlling Interest"	an interest (as defined in section 820 to 825 of the Act) in Shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company;

"Connected Person"	the meaning given to that expression in section 993 of the Income Tax Act 2007 and "connected with" shall be construed accordingly;
"Deemed Transfer Notice"	has the meaning given at Article 9.2;
"Director"	means a director of the Company from time to time;
"Executive"	the "Executive" as defined in the Investment Agreement;
"Existing Shareholders"	the "Existing Shareholders" as defined in the Investment Agreement;
"Fair Value"	the value determined by a Valuer in accordance with Article 10;
"Family Member"	the wife, husband or civil partner (or widow, widower or surviving civil partner), children and grandchildren (including step, adopted children and grandchildren and their issue) of the relevant shareholder;
"Financial Year"	an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Statutes;
"Good Leaver"	<p>a person who is a Leaver as a result of:</p> <ul style="list-style-type: none"> (a) death; (b) retirement; (c) Serious Ill Health; (d) wrongful or unfair dismissal in respect of which the Leaver is subsequently awarded compensation for unfair dismissal by a competent employment tribunal where such compensation is intended to compensate the Leaver for an unfair reason for the dismissal (but, for the avoidance of doubt, excluding any award which is limited to compensation for failure on the part of the relevant Group Company to adopt a fair procedure in relation to that dismissal) or dismissal by reason of redundancy (in the case of an employee) or unlawful contractual termination (in the case of a Director or consultant); (e) becoming a Leaver after two years following the date of adoption of these Articles or the date of commencement of employment or holding of office (whichever is the later) except where such cessation occurs in circumstances justifying Summary Dismissal (in the case of an employee) or

termination of contract (in the case of a Director or consultant);

or where the Board (with the consent of the Investor Directors if appointed) determines such person is a Good Leaver;

"Group"	the Company, its subsidiary undertakings and any holding company (as both are defined in the Act) from time to time and references to "member of the Group" and "Group Company" shall be construed accordingly;
"Investment Agreement"	the investment agreement dated the date of adoption of these Articles and made between the Company, Par, the Executive, the Investors and others as varied, adhered to, supplemented or replaced from time to time;
"Investor Consent"	the meaning given to that expression in the Investment Agreement;
"Investor Directors"	the meaning given to that expression in the Investment Agreement;
"Investment Fund"	means a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager;
"Investor Majority"	the meaning given to that expression in the Investment Agreement;
"Investment Manager"	means a person whose principal business is to make, manage or advise upon investments;
"Investors"	has the meaning given to it in the Investment Agreement;
"IQ Capital"	means THE IQ CAPITAL FUND I LP (registered number: LP011478) whose registered office is at Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB provided however that for the avoidance of doubt in connection with these Articles IQ Capital Fund I LP is acting by its manager, IQCP (or any other manager which may be appointed in its place from time to time);
"IQCP"	means IQ Capital Partners LLP (registration number: OC331235) whose registered office is at Ravenscroft House, 61 Regent Street, Cambridge, CB2 1AB and any successor appointed in its place as fund manager of the Fund Investor from time to time;
"Issue Price"	in respect of a Share, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value

and any share premium;

"Leaver"	a shareholder who is an individual and who is or was previously a Director (other than any Investor Director) or employee of a member of the Group and who ceases to hold such office or employment unless after consultation with the Investors, the Investor Majority notifies the Company that such person is not a Leaver;
"Liquidation"	means the solvent liquidation or winding up of the Company;
"Listing"	means the unconditional granting of permission for any of the Shares to be dealt in on any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000), including (without limitation) the main market or the alternative investment market of London Stock Exchange plc or the PLUS market;
"Member of the Par Group"	any member of the Par Group whether as an individual or body corporate who is recognised by Par as such in accordance with their rules and procedures;
"Member's Group"	the relevant member, its subsidiary undertakings and any holding company (as both are defined in the Act) of the relevant member from time to time;
"Model Articles"	the model articles for companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;
"One Place Capital"	means The One Place Capital Limited incorporated under the Companies Acts (Registered in Scotland No SC400459) and having its registered office at 5 th Floor, 7 Castle Street, Edinburgh, EH2 3AH;
"One Place Capital Acquisition Documents"	means the legal documents relating to the acquisition of certain business and assets of One Place Capital by the Company on or around the date hereof (including, but not limited to, an asset purchase agreement between the Company and One Place Capital, a trademarks licence and services agreement between the Company and One Place Capital, a distribution agreement between the Company and One Place Capital and a shareholders agreement between the Company and One Place Capital and the other shareholders of the Company;
"One Place Capital Shareholder"	means the shareholder agreement dated the date of adoption of these Articles and made between the

Agreement"		Company, Par, the Executive, the Investors, One Place Capital and others as varied, adhered to, supplemented or replaced from time to time;
"Ordinary Shares"		the ordinary shares of £0.001 each in the capital of the Company having the rights set out in these Articles;
"Par"		means Par Equity LLP a limited liability partnership registered number SO301563 having its registered office at Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH;
"Par Investors"		the "Par Investors" as defined in the Investment Agreement;
"Par Investor Majority"	Investor	the meaning given to that expression in the Investment Agreement;
"PFML"		means Par Fund Management Limited a company incorporated in Scotland registered number SC338649 having its registered office at Exchange Tower, 19 Canning Street, Edinburgh, EH3 8EH;
"Par Group"		means Par, PFML, and any subsidiary of any of them for the time being and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Par or any subsidiary of such company, corporation or body or any body recognised as forming part of Par's group in accordance with Par's rules and procedures;
"Par Syndicate"		has the meaning given to it in the Investment Agreement;
"Permitted Options"		means (i) options in favour of directors and employees of the Company over a maximum of 142,857 Ordinary Shares in aggregate, pursuant to the terms set out in the Investment Agreement and as approved by the Remuneration Committee and (ii) options/warrants in favour of One Place Capital pursuant to the Warrant Instrument;
"Permitted Transferee"		any transferee of a transfer of shares permitted under Article 6;
"Remuneration Committee"		has the meaning given to it in the Investment Agreement;

"Sale"	means the acceptance of an offer or the making of an agreement which upon the satisfaction of the conditions (if any) of such offer or agreement results in either: <ul style="list-style-type: none"> (a) the obtaining of a Controlling Interest; or (b) the sale of the whole or substantially the whole of the business and/or assets of the Group;
"Scottish Enterprise"	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;
"Scottish Enterprise Group"	Scottish Enterprise, SE-SSF and 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 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"	any party succeeding in whole or in part to the interests of Scottish Enterprise, SE-SSF;
"SE-SSF"	has the meaning given to it in the Investment Agreement;
"Seller"	a shareholder who wishes, or is required, to transfer Shares or any beneficial interest therein to a person to whom Article 6 (Permitted Transfers) does not apply;
"Serious Ill Health"	an illness or disability certified by a general medical practitioner (nominated or approved by the Investors) as rendering the person concerned permanently incapable of carrying out his role as an employee or Director save where such incapacity has arisen as a result of the abuse of drugs (including alcohol but not nicotine);
"Shares"	any share forming part of the share capital of the Company;
"the Statutes"	the Companies Acts as defined in section 2 of the Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being in force relating to companies and affecting the Company;
"Summary Dismissal"	means (i) dismissal without notice by the Company for reasons of gross misconduct or some other substantial reason relating to the material adverse conduct of such

person, or (ii) a wilful wrongdoing by the relevant person justifying summary dismissal or termination of the relevant person's employment or office without notice by the Company;

"Tag Along Offer"

an unconditional offer, open for acceptance for not less than 15 Business Days, to purchase Shares at a price per Share equal to the highest price per share (exclusive of stamp duty) paid or to be paid by any transferee referred to in Article 8.1 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for Shares (inclusive of the Shares giving rise to the obligation to make the Tag Along Offer);

"Transfer Event"

has the meaning given to that term in Article 9;

"Transfer Price"

in relation to a Transfer Notice given under a voluntary transfer pursuant to Article 7, the price stated in the Transfer Notice or as otherwise determined in accordance with Article 10, or in the case of a Deemed Transfer Notice as determined in accordance with Article 9.4;

"Valuer"

means the Auditors or if they are unable or unwilling to act in any particular case a chartered accountant (acting as expert and not as an arbiter) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed at the request of any of the parties concerned by the President for the time being of the Institute of Chartered Accountants of Scotland and

"Warrant Instrument"

means the warrant instrument entered into between the Company and One Place Capital on the date of adoption of these Articles.

- 1.2 references to any statute or statutory provision include, unless inconsistent with the context, a reference to that statute or statutory provision as modified, re-enacted or consolidated and in force from time to time, whether before or after the date of these Articles;
- 1.3 where the word "address" appears in these Articles it is deemed to include postal address and, where applicable, electronic address (being any address or number used for the purposes of sending or receiving documents or information by electronic means);
- 1.4 references to a person include any individual, firm, body corporate, unincorporated association or partnership;
- 1.5 references to the plural will include the singular and vice-versa;
- 1.6 headings are for convenience only and do not affect the construction or interpretation of these Articles;
- 1.7 the Model Articles shall apply to the Company, except insofar as they are modified or excluded by these Articles;

- 1.8 save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Investment Agreement or the Model Articles shall have the same meaning in these Articles subject to which and unless the context otherwise requires, words and expressions which have a particular meaning in the Act shall have the same meaning in the Articles; and
- 1.9 all references herein to consents, approval or permission by the Investor will mean the Investor acting in writing (which may be by email), unless otherwise stated.

2. SHARE CAPITAL

- 2.1 The issued share capital of the Company at midnight on the date of adoption of these Articles is £1,000 divided into 1,000,000 Ordinary Shares.
- 2.2 The Ordinary Shares shall be treated and rank *pari passu* in all respects.
- 2.3 Save to the extent authorised from time to time by an ordinary resolution of the shareholders or by written resolution in accordance with section 282(2) of the Act, the directors shall not exercise any power to allot Shares or grant rights to subscribe for or convert securities into Shares.
- 2.4 Any Shares to be issued in the share capital of the Company shall be under the control of the directors who may (subject to (i) section 551 of the Act, (ii) these Articles and (iii) any direction to the contrary that may be given by ordinary resolution 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.
- 2.5 The directors are authorised for the purposes of section 551 of the Act to exercise all powers of the Company to allot and grant rights to subscribe for or convert securities into equity securities (as defined by section 560 of the Act) in the Company in respect of the allotment of: - (i) up to 250,000 Ordinary Shares on the exercise of warrants granted under the Warrant Instrument; (ii) up to 550,000 Ordinary Shares pursuant to the terms of the Investment Agreement; (iii) up to 250,000 Ordinary Shares to One Place Capital pursuant to the One Place Capital Acquisition Documents and (iv) up to 142,857 Ordinary Shares on the exercise of options granted or to be granted to directors and employees of the Company, all for a period of 5 years from the date of adoption of these articles. The directors may after that period of five years, allot any relevant securities or grant such rights under this authority in pursuance of any offer or agreement (including, without limitation, the Investment Agreement) so to do made by the Company within that period of five years.
- 2.6 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall be excluded from applying to the allotment of equity securities (as defined in section 560 of the Act).

3. DIVIDEND AND RETURN ON CAPITAL

Income

- 3.1 Subject to the terms of the Investment Agreement, any profits which the Company determines to distribute in respect of any Financial Year shall, subject to the approval of a general meeting and Investor Consent (as may be required by the Investment Agreement) be applied in distributing such profits amongst the holders of the Ordinary Shares then in issue *pari passu* according to the number of such Shares held by each of them. Clauses 30 and 34 of the Model Articles shall be construed accordingly.

- 3.2 Every dividend declared in accordance with the provisions of these Articles and the Investment Agreement shall be distributed to the appropriate shareholders pro-rata according to the amounts paid up or credited as paid up on the shares held by each of them.

Return of Capital and Exit proceeds

- 3.3 On a return of capital (on liquidation or capital reduction or on a Sale within the circumstances set out at paragraph (b) of the definition of Sale or otherwise) the surplus assets of the Company remaining after the payment of its liabilities shall be applied:

3.3.1 first, in paying to each holder of Ordinary Shares, firstly, any dividends thereon which have been declared but are unpaid; and

3.3.2 thereafter, in distributing the balance of such assets amongst the holders of the Ordinary Shares *pari passu* in proportion to the numbers of the Ordinary Shares held by each of them respectively.

- 3.4 On a Sale within the circumstances set out at paragraph (a) of the definition of Sale, the selling shareholders shall procure that the total of all and any consideration received (whether in cash or otherwise) in respect of the shares the subject of the Sale shall be re-allocated between the sellers of such shares so as to ensure the Sale proceeds are distributed among all shareholders in proportion to the number of Ordinary Shares held by each shareholder.

4. ALLOTMENT OF SHARES

- 4.1 Save for the allotment of Shares pursuant to an Approved Issue or with the prior written consent of an Investor Majority (in which case the pre-emption provisions set out in this Article 4.1 shall not apply) the Directors shall not allot any Shares unless notice in writing is given to each shareholder specifying the number and classes of Shares which are proposed to be issued, the consideration payable on the Shares, and any other material terms or conditions of the proposed issue. Each shareholder shall be entitled to subscribe for shares in proportion (as nearly as may be) to their existing holdings of Shares ("**Proportionate Entitlement**"). It shall be open to each such shareholder to specify if he/it is willing to subscribe for Shares in excess of his/its Proportionate Entitlement ("**Additional Shares**") and, if the shareholder does so specify, he/it shall state the number of Additional Shares. Notwithstanding the foregoing provisions of this Article 4.1 for as long as it and/or its Permitted Transferees hold Shares, One Place Capital (and/or its Permitted Transferees as applicable) shall always receive their pre-emption rights and Proportionate Entitlement in relation to any allotment of Shares under this Article 4.1 except that (i) only One Place Capital can benefit from Shares being issued pursuant to the Warrant Instrument and (ii) in relation to the allotment of Shares pursuant to an Approved Issue but not pursuant to the Warrant Instrument, neither One Place Capital nor its Permitted Transferees shall have any pre-emption rights and Proportionate Entitlement.
- 4.2 The notice specified in Article 4.1 shall invite each shareholder to state, in writing within 15 Business Days from the date of such notice whether he/it will subscribe for any Shares, and if so, how many Shares.
- 4.3 Within 5 Business Days of the expiry of the invitation made pursuant to the notice given under Article 4.1 the Board shall allocate the Shares in the following manner:

- 4.3.1 if the total number of Shares applied for is equal to or less than the available number of Shares to be issued the Directors shall allocate the number applied for in accordance with the applications and may dispose of any Shares not accepted by the shareholders in such manner as they think most beneficial to the Company provided that such Shares shall not be disposed of on terms that are more favourable to the allottee than the terms on which they were offered under this Article 4; or
- 4.3.2 if the total number of Shares applied for is more than the available number of Shares to be issued, each shareholder shall be allocated his/its Proportionate Entitlement (or such lesser number of Shares to be issued for which he/it may have applied) and applications for Additional Shares shall be allocated in accordance with such applications or, in the event of competition, to each shareholder willing to subscribe for Additional Shares in proportion (as nearly as may be) to the proportion which the Shares held by a shareholder bear to the total number of Shares held by all shareholders applying for Additional Shares provided that any shareholder shall not be allocated more Additional Shares than he/it shall have stated himself willing to take.
- 4.4 Pursuant to the Act, all statutory rights of pre-emption shall be excluded from applying to the Company.
- 4.5 For the avoidance of doubt, in the event that IQ Capital does not take its Proportionate Entitlement in full, the balance of such Proportionate Entitlement may be taken by one or more persons to whom IQ Capital would be permitted to transfer its Shares pursuant to Article 6.
- 5. TRANSFER OF SHARES: GENERAL**
- 5.1 Subject to the provisions of Article 6, no transfer of any Share shall be made or registered unless such transfer:
- 5.1.1 complies with the provisions of these Articles;
- 5.1.2 complies with the Investment Agreement (for as long as it is in force);
- 5.1.3 has been approved by the Directors (such approval to include the consent of the Investor Director(s) if any are appointed); and
- 5.1.4 the transferee (if he is not already party to the Investment Agreement) has first entered into a Deed of Adherence pursuant to the Investment Agreement.
- 5.2 Any shares offered to any member of the Scottish Enterprise Group or member of the Par Group including to any members of the Par Syndicate shall, at the request of Scottish Enterprise Group/Par Group (as appropriate) be registered in the name or names of any one or more members of the Scottish Enterprise Group (in the case of the Scottish Enterprise Group) or any one or more of the Par Group or members or member of the Par Syndicate (in the case of the Par Group).
- 5.3 For the avoidance of doubt, in the event that IQ Capital does not take its Proportionate Entitlement in full, the balance of such Proportionate Entitlement may be taken by one or more persons to whom IQ Capital would be permitted to transfer its Shares pursuant to Article 6.

6. PERMITTED TRANSFERS

Notwithstanding the provisions of any other Article, the transfers set out in this Article 6 shall be permitted without restriction and the provisions of Articles 7 (Voluntary Transfers) and 8 (Drag Along and Tag Along) shall have no application.

6.1 Permitted Transfers by bodies corporate

Any Investor who is a body corporate may transfer any of its Shares (without restriction as to price or otherwise) to any other body corporate which is for the time being in the Member Group of which that Investor forms part. One Place Capital may transfer any of its Shares (without restriction as to price or otherwise) to any other body corporate which is for the time being in the Member Group of which One Place Capital forms part.

6.2 Permitted Transfers by individuals

Any Investor or Existing Shareholder who is an individual may transfer any Shares (without restriction as to price or otherwise) to a Family Member of that Investor or Existing Shareholder provided that if the Family Member ceases to be a Family Member (other than by reason of death) they shall, within 15 Business Days of so ceasing, transfer the shares held by them to the original shareholder and failing such transfer the Family Member shall be deemed to have given a Transfer Notice pursuant to Article 9.

6.3 Permitted Transfers by Scottish Enterprise

Notwithstanding any other provision contained in these Articles or in the Investment Agreement, the Board shall register the transfer of any Shares made from any member of the Scottish Enterprise Group to any other member of the Scottish Enterprise Group (without restriction as to price or otherwise) and for the avoidance of doubt Article 6.1 shall not apply to the transfer of any Shares made from any member of the Scottish Enterprise Group to any other member of the Scottish Enterprise Group.

6.4 Permitted Transfers by Par

6.4.1 Notwithstanding any other provision contained in these Articles or the Investment Agreement, any Member of the Par Group may transfer any Shares (without restriction as to price or otherwise) to any other Member of the Par Group and for the avoidance of doubt Article 6.1 shall not apply to the transfer of any Shares made from any member of the Par Group to any other member of the Par Group.

6.4.2 Notwithstanding any other provision contained in these Articles or the Investment Agreement, any Member of the Par Syndicate may transfer any Shares (without restriction as to price or otherwise) to any other Member of the Par Syndicate.

6.5 Permitted Transfers by all Shareholders

6.5.1 Subject to Article 6.5.2 any shareholder may at any time transfer any Shares to the Company in accordance with the provisions of the Statutes;

6.5.2 Any shareholder may at any time transfer all or any of his Shares to any other person with the prior consent in writing or by email of those shareholders who together hold not less than 95% of the entire issued share capital of the Company (provided always that (i) the request for such consent is sent in advance to all shareholders and (ii) such transfer does not result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest); and

6.5.3 Any Shares may be transferred pursuant to Article 8 (Drag Along and Tag Along).

6.6 Permitted Transfers by IQ Capital

6.6.1 Any member (or a nominee of a member or a member of that Member's Group) who is:

- a) an Investment Manager;
- b) an Investment Fund; or
- c) a nominee of an Investment Manager or an Investment Fund

may transfer any Ordinary Shares held by it to:

- (i) where the member (or nominee of such member of that Member's Group) is an Investment Manager or nominee of an Investment Manager:
 - A. any participant or partner in or member of any Investment Fund in respect of which the Ordinary Shares are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
 - B. any Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor; or
 - C. any other Investment Manager who manages the business of the Investment Fund in respect of which the Ordinary Shares are held;
- (ii) where the member (or nominee of such member of that Member's Group) is an Investment Fund or nominee of an Investment Fund:
 - A. any participant (directly or indirectly) or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
 - B. any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor; or
 - C. the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor

and vice versa any Ordinary Shares may be transferred by any of the persons in paragraphs (i) and (ii) to any member who falls in the categories set out in Article 6.6.1 above and the directors shall, save as may be required by law, register any transfer to which this Article 6.6.1 applies.

7. VOLUNTARY TRANSFERS

- 7.1 Except as permitted under Article 6 any Seller who wishes to transfer shares shall give notice in writing (the "**Transfer Notice**") to the Company of his wish specifying:
- 7.1.1 the number of shares (the "**Sale Shares**") which he wishes to transfer;
 - 7.1.2 if he wishes to transfer the Sale Shares to a third party, the name of the third party;
 - 7.1.3 the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**"); and
 - 7.1.4 whether the Transfer Notice is conditional on all, or a specific number, of the Sale Shares being sold in which case no Sale Shares can be sold unless offers are received for all or the minimum number (as applicable) of the Sale Shares.
- 7.2 Where any Transfer Notice is deemed to have been given in accordance with Article 9 all the Shares registered in the name of the Seller shall be included for transfer, and the provisions of Article 7.1.4 shall not apply.
- 7.3 Subject to Article 7.6, once given, a Transfer Notice or Deemed Transfer Notice may not be withdrawn unless the Seller is obliged to procure the making of an offer under Articles 8.1 to 8.6 and is unable to procure the making of such an offer or the Investor Majority approves such withdrawal. In the event of a Transfer Notice being withdrawn the Seller shall bear all costs relating to such Transfer Notice or Deemed Transfer Notice.
- 7.4 The Transfer Notice shall constitute the Directors the agents of the Seller for the sale of the Sale Shares at the Transfer Price. As soon as reasonably practicable following receipt by the Company of a Transfer Notice the Directors shall give notice to all shareholders of the Company (other than the Seller) inviting them to notify the Company in writing within 15 Business Days from the date of such offer (the "**First Offer Period**") confirming: (i) if he/it requires the Sale Shares to be valued; and (ii) if he/it does not, the maximum number of Sale Shares they wish to purchase at the Transfer Price.
- 7.5 If before the expiry of the First Offer Period any shareholder confirms in writing that he/it requires the Sale Shares to be valued in accordance with Article 7.4, the shareholders and the directors shall instruct a Valuer to undertake a valuation in accordance with Article 10.
- 7.6 Within 7 Business Days of receipt of the Fair Value Certificate (as defined in Article 10) the Directors shall send a copy of such Certificate to the Seller and (other than in the case of a Deemed Transfer Notice) the Seller shall be entitled to revoke the Transfer Notice by notice in writing to the Directors within 7 Business Days of receipt.
- 7.7 If the Transfer Notice is not revoked by the Seller or, in the case of a Deemed Transfer Notice, once the Fair Value has been determined in accordance with Article 10 (if required), the Directors shall give notice to all of the shareholders (other than the Seller) confirming the value of the Sale Shares as determined in accordance with Article 10 (which shall be the Transfer Price) inviting them to notify the Company in writing within 15 Business Days from the date of such notice (the "**Second Offer Period**") confirming the maximum number of Sale Shares they wish to purchase.
- 7.8 It shall be open to each shareholder to specify if he is willing to purchase Sale Shares in excess of his Proportionate Entitlement (as defined in Article 4.1) ("**Excess Sale**")

Shares") and, if the shareholder does so specify, he shall state the number of Excess Sale Shares.

- 7.9 Within 5 Business Days of the expiry of the First Offer Period or Second Offer Period (as appropriate) the Board shall allocate the Sale Shares in the following manner:
- 7.9.1 if the total number of Sale Shares applied for is equal to or less than the available number of Sale Shares the Company shall, subject to Article 7.1.4, allocate the number applied for in accordance with the applications; or
- 7.9.2 if the total number of Sale Shares applied for is more than the available number of Sale Shares, each shareholder shall be allocated his Proportionate Entitlement (or such lesser number of Sale Shares for which he may have applied) and applications for Excess Sale Shares shall be allocated in accordance with such applications or, in the event of competition, as nearly as may be to the proportion which Shares held by a shareholder bear to the total number of Shares held by all shareholders applying for Excess Sale Shares provided that any shareholder shall not be allocated more Excess Sale Shares than he/it shall have stated himself willing to take; and
- 7.9.3 in either case the Company shall forthwith give notice of each such allocation (an "Allocation Notice") to the Seller and each of the persons to whom Sale Shares have been allocated (a "Member Applicant") and shall specify in the Allocation Notice the place and time (being not later than 10 Business Days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed.
- 7.10 Subject to Article 7.11 the Seller shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Member Applicants free from any lien, charge or encumbrance. If the Seller makes default in so doing any Director shall forthwith be deemed to be the duly appointed attorney of the Seller with full power to execute, complete and deliver a transfer of the relevant Sale Shares and any Director may receive and give a good discharge for the purchase money on behalf of the Seller and (subject to the transfer being duly stamped) enter the name of the Member Applicant in the register of members. The Board shall forthwith pay the Transfer Price into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Seller until he shall deliver up his certificate(s) for the relevant Shares (or an indemnity in respect of any lost certificate) to the Company when he shall thereupon be paid the Transfer Price.
- 7.11 If the provisions of Article 7.1.4 apply or where any Transfer Notice is deemed to have been given in accordance with these Articles and if the total number of Shares applied for by Member Applicants is less than the number of Sale Shares the Directors may within 10 Business Days of the date of the Allocation Notice determine (with the approval of the Investor Directors) that the Company shall (if it is permitted to do so under the Act) purchase some or all of the Sale Shares. The Directors shall have a period of 60 days from the date of any such determination by the Directors to obtain any necessary consents and authorities for any such purchase by the Company and to complete the purchase by the Company of the Sale Shares.
- 7.12 In the event of all of the Sale Shares not being sold under the preceding paragraphs of this Article 7 the Seller may, at any time within 3 months after receiving confirmation from the Company that the provisions herein contained have been exhausted, transfer all the Sale Shares (if Article 7.1.4 does apply) or any Sale Shares which have not been sold (if Article 7.1.4 does not apply) to any person or persons at any price not less than the Transfer Price.

- 7.13 The holders of any Shares which are subject of a Deemed Transfer Notice (1) shall be entitled to receive notice of and attend general meetings of the Company but, (2) shall, until such time as the Deemed Transfer Notice has expired or been withdrawn, waived completed, expired or otherwise lapsed, have no right to:

7.13.1 vote in respect of the Sale Shares; or

7.13.2 participate in any offer of Shares from any other member in accordance with these Articles; and

Model Article 37 shall be modified accordingly.

8. DRAG ALONG AND TAG ALONG

Tag along

- 8.1 If in one or a series of related transactions, one or more Sellers propose to transfer any Shares to an arms' length purchaser (who is not an existing shareholder or an Investor) which would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Seller or Sellers shall (unless such transfer is a transfer to a Permitted Transferee) before making such transfer procure that the proposed transferee of the Seller's Shares makes a Tag Along Offer to all of the shareholders.
- 8.2 The Tag Along Offer shall set out:
- 8.2.1 the identity of the purchaser of the Shares referred to in Article 8.1;
- 8.2.2 the purchase price ("**Tag Along Price**") including the calculation of any element not payable in cash and other terms and conditions of payment;
- 8.2.3 the proposed date of sale; and
- 8.2.4 the number of Shares proposed to be purchased.
- 8.3 The Tag Along Offer shall be given by written notice at least 15 Business Days before the proposed sale date.
- 8.4 Every shareholder, on receipt of a Tag Along Offer, shall be bound within 15 Business Days of the date of such offer (which date shall be specified therein) (the "**Offer Period**") either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). If a Tag Along Offer is not made the Seller or Sellers shall not be entitled to complete the proposed sale and the Board shall not register any transfer to effect the sale.
- 8.5 If the Tag Along Offer is accepted by any shareholder within the Offer Period, the completion of the proposed transfer shall be conditional upon the purchase of all the Shares held by such accepting shareholders.
- 8.6 In the event of disagreement as to the calculation of the Tag Along Price such price shall be referred to a Valuer for determination applying the terms of Article 10 mutatis mutandis.

Drag along

- 8.7 If the holders of 85% or more of the Shares (which must include Scottish Enterprise and IQ Capital) (in this Article 8 the "**Dragging Shareholders**") wish to transfer their Shares in the Company to a bona fide arms length purchaser (the "**Buyer**"), then the Dragging Shareholders can require all of the other shareholders (and any persons who would

become shareholders upon exercise of any options or other rights to subscribe for shares which exist at the date of the offer from the Buyer) (the "**Called Shareholders**") to sell and transfer all of their Shares in the Company to the Buyer (or as the Buyer directs) by giving notice to that effect (the "**Drag Along Notice**") to such Called Shareholders, such Drag Along Notice to be served not less than 15 Business Days prior to the proposed completion of the transfer of Shares to the Buyer.

8.8 The Drag Along Notice shall specify:

8.8.1 that the Called Shareholders are required to transfer all their Shares free from all liens, charges and encumbrances;

8.8.2 the price (the "**Drag Along Price**") including the calculation of any element not payable in cash at which such shares of the Company are proposed to be transferred which shall be a price per Share equal to that offered by the Buyer to the Dragging Shareholders and no less than Fair Value;

8.8.3 the identity of the Buyer; and

8.8.4 the proposed date of the transfer.

8.9 Once issued, a Drag Along Notice shall be irrevocable. A Drag Along Notice shall lapse if, for any reason, the Dragging Shareholders have not sold their Shares to the Buyer within 40 Business Days of serving the Drag Along Notice. The Dragging Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

8.10 The Called Shareholders shall be bound, on payment of the Drag Along Price to transfer the Called Shares in accordance with the Drag Along Notice at the time and place therein specified free from any lien, charge or encumbrance.

8.11 In the event of disagreement as to the calculation of the Drag Along Price such price shall be referred to a Valuer for determination applying the terms of Article 10 mutatis mutandis.

9. **COMPULSORY TRANSFERS**

9.1 A "**Transfer Event**" means:

9.1.1 where the shareholder is an individual, going into sequestration, entering into a trust deed for creditors or similar voluntary arrangement, or his death;

9.1.2 where the shareholder is a body corporate a receiver, manager or administrative receiver being appointed over all or any part of its undertaking or assets or entering into liquidation (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction) or administration (including any provisional or interim appointment of an administrator or liquidator);

9.1.3 a shareholder, becoming a Leaver;

9.1.4 a shareholder which is not Par, Scottish Enterprise, One Place Capital or IQ Capital (or any of their Permitted Transferees) undergoing a Change of Control;

unless in any of the above events the Investors notify the Company that such event is not to be treated as a Transfer Event.

9.2 Upon the happening of any Transfer Event, the shareholder in question or any Permitted Transferee of such shareholder who has derived title to Shares from them shall be deemed to have immediately given a Transfer Notice in respect of all the

Shares then held by him/it (a "**Deemed Transfer Notice**"). A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice. Any Ordinary Shares subject to a Deemed Transfer Notice shall continue to enjoy all the rights available to other Ordinary Shares in the capital of the Company except that the said shares shall cease to carry any voting rights (unless the Investors provide their written consent to the contrary) until such shares are sold or transferred on to any third party as part of a bona fide sale or transfer of shares. These voting restrictions shall have no effect on the value of such shares, which shall be deemed to be normal Ordinary Shares for the purposes of any valuation or sale of shares and the shareholder in question shall still receive copies of all General Meeting notices and written resolutions which are circulated by the Company from time to time.

- 9.3 The Shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 7 as if they were Sale Shares in respect of which a Transfer Notice had been given save that:

9.3.1 a Deemed Transfer Notice shall be deemed to have been given on the date of the Transfer Event or, if later, the date upon which the Investors become aware that the relevant event is a Transfer Event and the Investor Majority has notified the Company that the relevant event is a Transfer Event;

9.3.2 subject to Article 9.4, the Sale Price shall be a price per Sale Share agreed between the Seller (or their executors or representatives) the Board and the Investor Majority or, in default of agreement, within 14 Business Days after the date of the Transfer Event, the Fair Value;

9.3.3 the provisions of Article 7.1.4 shall not apply to a Deemed Transfer Notice; and

9.3.4 the Sale Shares shall be sold together with all rights attaching thereto as at the date of the Transfer Event.

- 9.4 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event arising due to a shareholder being a Leaver shall:

9.4.1 if the shareholder is a Good Leaver be their Fair Value; and

9.4.2 if the shareholder is a Bad Leaver be the lower of their Fair Value and their Issue Price.

- 9.5 Article 9.4 shall not apply to the Investors (or any Permitted Transferee of the Investors) or to any Investor Directors.

- 9.6 In the event that prior to the transfer of his Shares but after ceasing to be an employee or Director of the Company, a Good Leaver is in breach of his restrictive covenants or obligations of confidentiality contained in his employment contract and/or service agreement ("**Employment Breach**"), that Good Leaver shall automatically be deemed to be a Bad Leaver and accordingly the Sale Price for any of his Sale Shares shall be the lower of the Fair Value and their Issue Price.

- 9.7 If in respect of a former Member whose Shares were the subject of a Deemed Transfer Notice by virtue of him being a Good Leaver and who is found, after the transfer of Shares, to have committed an Employment Breach, such former Member shall be deemed instead to have been a Bad Leaver and accordingly the Sale Price for the Shares formerly held by such Members shall be retrospectively adjusted to the lower of

the Fair Value and Issue Price in respect of his Sale Shares. In such circumstances, the former Member shall pay the Company herewith on demand such sum as represents the difference between the amount paid to him in respect of his former Shares as a Good Leaver and the amount which would have been paid to him as a Bad Leaver. Where the Company has not been the transferee of the former Member's Shares, it shall act as agent for, and reimburse (upon receipt from the former Member) to, the transferee Member, the difference in the price paid by such transferee Member to the former Member in respect of the Sale Shares as appropriate.

- 9.8 In the event of a dispute as to whether a Leaver is a Good Leaver or a Bad Leaver, such dispute shall not affect the validity of a Deemed Transfer Notice but any person who acquires Sale Shares (the "**Purchaser**") pursuant to a Deemed Transfer Notice while such a dispute is ongoing shall pay to the Seller (the "**Seller**") a sum equal to their Issue Price (or Fair Value, if lower) and, at the discretion of the Board, shall pay such amount representing the difference between the Fair Value of the Shares as determined pursuant to Article 10 and the Issue Price in respect of such Shares to the Company. The Company shall hold that amount in a separate bank deposit account as trustee to pay it, and all interest earned thereon, upon final determination of the dispute as to whether or not the relevant Member is a Good Leaver or a Bad Leaver as follows:-

9.8.1 to the Purchaser in the case of the relevant Member being a Bad Leaver; and

9.8.2 to the Seller in the case of the relevant Member being a Good Leaver.

Subject always to the Board (with the consent of the Investor Directors if appointed), the Seller and the Purchaser all agreeing otherwise in writing prior to the determination of whether the Leaver is a Good Leaver or a Bad Leaver being finalised.

10. **FAIR VALUE**

- 10.1 If a Valuer is required to determine the price at which Shares are to be transferred pursuant to these Articles, such price shall be the amount the Valuer shall, on the application of the Board (which application shall be made as soon as practicable following the time it becomes apparent that a valuation is required), give their written opinion as to the price which represents a fair value for such Shares as between a willing seller and a willing buyer as at the date the Transfer Notice or Deemed Transfer Notice is given. The Directors shall instruct the Valuer to produce a certificate stating such value ("**Fair Value Certificate**") within 20 Business Days of being requested or required to do so (or as soon as practicable thereafter).
- 10.2 In making such determination, the Valuer shall not take any account of whether the Sale Shares comprise a majority or a minority interest in the Company nor the fact that transferability is restricted by these Articles.
- 10.3 The Valuer shall act as experts and not as arbiters and their decision shall be conclusive and binding on the Company and all shareholders (in the absence of fraud or manifest error).
- 10.4 In the event that the Valuer declines to accept an instruction to provide a valuation, then the price will be determined by a firm of independent chartered accountants, such accountants to be appointed by the Company with Investor Consent.
- 10.5 The Valuer's costs in making any determination referred to them under this Article 10 shall (other than as specifically prescribed in these Articles) be borne by the Company unless the Valuer shall otherwise determine; provided always that if a Seller revokes a Transfer Notice in accordance with Article 7.6 such costs shall be borne by the Seller.

11. GENERAL MEETINGS

- 11.1 No business shall be transacted at any general meeting unless a quorum of shareholders is present. Four persons (two of which must be representatives of two of either Scottish Enterprise, Par or IQ Capital) entitled to vote upon the business to be transacted present in person, by proxy or by a duly authorised representative, shall be a quorum. If a general meeting is adjourned because a quorum is not present, the adjourned meeting shall be held at the same place, at the same time on the same weekday in the week following the meeting at which the quorum was not present and the quorum for such adjourned meeting shall be three persons (two of which must be representatives of two of either Scottish Enterprise, Par or IQ Capital).
- 11.2 Unless determined otherwise in writing (which may be by email) by an Investor Majority, the Company shall not be required to hold an annual general meeting in each calendar year.
- 11.3 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if it is so agreed by the shareholders in accordance with the Act. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting and shall be given in accordance with the Act.
- 11.4 The Company may send a notice of meeting by making it available on a website or by sending it in electronic form and if notice is sent in either way it will be valid provided it complies with the relevant provision of the Act.

12. APPOINTMENT AND REMOVAL OF DIRECTORS AND INVESTOR DIRECTORS

- 12.1 Any Director shall only be appointed in accordance with the terms of the Investment Agreement and this Article 12 and Clause 17.1 of the Model Articles shall be modified accordingly. Any Director appointed by One Place Capital (which One Place Capital is hereby entitled to do in accordance with the terms of the One Place Capital Shareholder Agreement (the "**One Place Capital Director**") shall only be appointed and/or removed in accordance with the terms of the One Place Capital Shareholder Agreement and this Article 12 and Clause 17.1 of the Model Articles shall be modified accordingly.
- 12.2 The Par Investors (acting by a Par Investor Majority) shall be entitled at any time to appoint up to one person as a director of the Company (and in their absolute discretion as a director of any other member(s) of the Group and/or as members of each and any committee of the Company or any other member of the Group) who shall be designated as the "**Par Director**".
- 12.3 A Par Investor Majority shall be entitled from time to time to remove from office the Par Director so appointed and to appoint another Par Director in his place. The removal of any director so appointed shall be made by notice in writing from any Par Investor (having first secured the approval of a Par Investor Majority) to the Company.
- 12.4 SE-SSF shall be entitled at any time to appoint up to one person as a director of the Company (and in its absolute discretion as a director of any other member(s) of the Group and/or as members of each and any committee of the Company or any other member of the Group) who shall be designated as the "**SE Director**".
- 12.5 SE-SSF shall be entitled from time to time to remove from office the SE Director so appointed and to appoint another SE Director in his place. The removal of any director so appointed shall be made by notice in writing from SE-SSF to the Company.
- 12.6 IQ Capital shall be entitled at any time to appoint up to one person as a director of the Company (and in its absolute discretion as a director of any other member(s) of the

Group and/or as members of each and any committee of the Company or any other member of the Group) who shall be designated as the "IQ Capital Director".

- 12.7 IQ Capital shall be entitled from time to time to remove from office the IQ Capital Director so appointed and to appoint another IQ Capital Director in his place. The removal of any director so appointed shall be made by notice in writing from IQ Capital to the Company.
- 12.8 In the absence of any Investor Directors holding office at the relevant time, any provision in these Articles requiring the prior consent, approval or agreement of the Investor Directors shall be deemed instead to refer to an Investor Majority.
- 12.9 A Director may only be removed in accordance with the terms of the Investment Agreement and this Article 12.
- 12.10 The One Place Capital Director may only be removed in accordance with the terms of the One Place Capital Shareholder Agreement and this Article 12.
- 12.11 The office of any Director shall be vacated if:
 - 12.11.1 he shall, for whatever reason, cease to be employed by the Company or any Group Company (provided that this Article 12.11.1 shall not apply to any Investor Directors or the One Place Capital Director);
 - 12.11.2 (other than in the case of any Investor Directors or the One Place Capital Director) he shall on more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the remaining Directors resolve that his office be vacated; or
 - 12.11.3 in any of the circumstances listed in Clause 18 of the Model Articles.
- 12.12 In addition and without prejudice to the provisions of section 168 of the Companies Act 2006, the Company may, subject to article 12.9, 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 save that this Article 12.11 shall not apply to any Investor Directors or the One Place Capital Director (if appointed) who shall only be capable of being removed as directors of the Company in accordance with Articles 12.3, 12.5, 12.7 and 12.10 appropriately.

13. ALTERNATE DIRECTORS

- 13.1 The appointment by any Investor Director or One Place Capital Director of an alternate Director shall not be subject to approval by a resolution of the Board but the appointment of an alternate by any Director other than an Investor Director or One Place Capital Director shall require such approval.
- 13.2 An alternate Director shall not be entitled 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.
- 13.3 A Director, or alternate Director, may act as an alternate Director for and represent more than one Director, and an alternate Director shall be entitled at any meeting of the Board (or of any committee of the Board) to one vote for every Director whom he represents (in addition to his own vote (if any) as a Director), but he shall count as only one for the purpose of determining whether a quorum is present at any such meeting.

14. PROCEEDINGS OF DIRECTORS

- 14.1 The quorum for meetings of the Board shall be three Directors one of whom must be an Investor Director (if appointed). No business shall be transacted at meeting of the Board unless a quorum is present. If a board meeting is adjourned because a quorum is not present, the adjourned meeting shall, unless otherwise agreed by all of the other Directors be held at the same place, at the same time on the same weekday in the week following the meeting at which the quorum was not present. Clause 11.2 of the Model Articles shall be modified accordingly.
- 14.2 Meetings of the Board shall take place a minimum of 10 times per year.
- 14.3 The Investor Majority shall be entitled from time to time to appoint one of the Investor Directors as the Chairman of the Board (and any committee of the Board) and remove from office any such person so appointed and to appoint another one of the Directors in his place.
- 14.4 If no Investor Director is appointed then the quorum for meetings of the Board shall be three Directors.
- 14.5 Model Articles 5.1 to 5.3 inclusive and 6.2 shall be modified by the insertion of the words "acting with Investor Consent" following each reference to "the Directors" in such Model Articles.

15. CONFLICTS OF INTEREST

- 15.1 The Directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflicts of interest which shall include, without limitation, conflicts of interest and duty and conflicts of duty ("**Conflict**").
- 15.2 Any authorisation under this article will be effective only if:
- 15.2.1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
 - 15.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question; and
 - 15.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.
- 15.3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently):
- 15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;
 - 15.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
 - 15.3.3 be terminated or varied by the Directors at any time.
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation.
- 15.4 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through

his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:

15.4.1 disclose such information to the Directors or to any Director or other officer or employee of the Company; or

15.4.2 use or apply any such information in performing his duties as a Director; where to do so would amount to a breach of that confidence.

15.5 Where the Directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the Director:

15.5.1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict;

15.5.2 is not given any documents or other information relating to the Conflict; and

15.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict.

15.6 Where the Directors authorise a Conflict:

15.6.1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict; and

15.6.2 the Director will not, by virtue of the Conflict, infringe any duty he owes to the Company pursuant to sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation.

15.7 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

15.8 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any interest of his (unless the circumstances referred to in sections 177(5), 177(6), 182(5) or 182(6) of the Act apply, in which case no disclosure is required), a director notwithstanding his office:

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

15.8.2 may be a director or other officer of or employed by or be a party to any contract, 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;

15.8.3 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;

15.8.4 shall not, save as he may otherwise agree, by reason of his office be accountable to the Company for any remuneration or benefit which he (or

any person connected with him (as defined in section 252 of the Act)) derives from any office, service or employment or from any contract, transaction or arrangement or from any interest in any body corporate which he is permitted to hold or enter into by virtue of Articles 15.8.1, 15.8.2 or 15.8.3 and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit nor shall the receipt of any such remuneration or benefit constitute a breach of section 176 of the Act; and

15.8.5 shall, subject to Articles 15.1 and 15.5, be an eligible director for the purposes of any proposed decision of the directors (or committee of the directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision on any matter referred to in any of Articles 15.8.1 to 15.8.4 (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.

15.9 For the purposes of Article 15.8:

15.9.1 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;

15.9.2 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

15.9.3 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.

16. INVESTOR DIRECTOR CONFLICT PROVISIONS

16.1 For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that an Investor Director may be or become subject to a Conflict or Conflicts as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following:

16.1.1 an Investor; and/or

16.1.2 any "Investor Affiliate", which for these purposes means any person who or which, as regards an Investor, or any other Investor Affiliate of an Investor:

is a holding company of that company, or a wholly owned subsidiary of the company or of any such holding company;

is its Investment Manager or investment advisor;

is a person in which it may have or acquire a direct or indirect economic interest as part of any portfolio investment;

controls or is controlled, managed advised (in an investment advisor capacity) or promoted by it; and/or

is a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it; and/or

16.1.3 any carried interest or incentive arrangement associated with any person or arrangement referred to in paragraphs 16.1.1 and 16.1.2 above.

16.2 An Investor Director's duties to the Company arising from him holding office as director shall not be breached or infringed as a result of any Conflict envisaged by Article 16.1 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Articles 16.1.2 or 16.1.3 irrespective of whether the activities of such person or entity are or may become competitive with those of the Company and/or any of its subsidiaries.

17. NOTICES

- 17.1 Any notice or other communication in connection with these Articles shall be in writing and may be delivered by hand, pre-paid first class post (or airmail if overseas) or (subject to the provisions below) by fax (but not by e-mail which shall be invalid other than as specifically permitted in these Articles), to the address or fax number of such party which the recipient has notified in writing to the sender, (to be received by the sender not less than 7 Business Days before the notice is despatched) in accordance with this Article 17 marked for the attention of the recipient provided that in the case of a notice or other communication being sent or delivered to Scottish Enterprise it must be marked for the attention of "The Head of the Scottish Seed Fund" and copied to "The Head of the Portfolio Team" and must not be sent by fax and any such notice or other demand sent by fax shall be invalid.
- 17.2 The notice or communication will be deemed to have been duly served if delivered by hand, at the time of delivery and if delivered by first class post, 2 Business Days after being posted or, in the case of airmail, 6 Business Days after being posted; if delivered by fax, when confirmation on completion of its transmission has been recorded by the sender's fax machine provided that, where in the case of delivery by hand or transmission by fax, such delivery or transmission occurs either after 4.00 pm on a Business Day, or on a day other than a Business Day, service will be deemed to occur at 9.00 am on the next following Business Day.
- 17.3 The Investors other than Scottish Enterprise confirm that notices or other communications to be served upon them will be sent to them at the addresses marked for the attention of those persons detailed in the Investment Agreement.
- 17.4 For the avoidance of doubt and notwithstanding any other provision of these Articles, where the approval of the Investor Majority or any of the Investors or any of the Investor Directors is required by the Company, then such approval may be validly sent and requested by email other than requests sent to Scottish Enterprise, which must be served in writing in accordance with the terms of this Article 17.

18. EXTENDED INDEMNITY PROVISIONS

18.1 Subject to the provisions of, and so far as may be consistent with, the Act and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Company shall indemnify every relevant officer out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director:

18.1.1 to the Company or to any of its associated companies;

18.1.2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

18.1.3 incurred:

in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company, or any of its associated companies, in which judgment is given against him; or

in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234 of the Act.