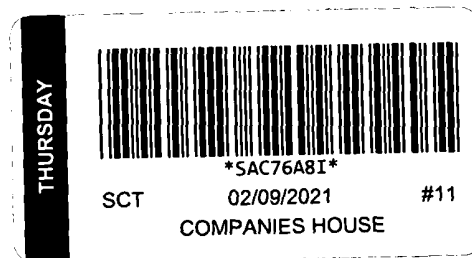


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SC 407753

ARTICLES OF ASSOCIATION
of
BRIGHT ASCENSION LIMITED



Lindsays LLP
Caledonian Exchange
19A Canning Street
Edinburgh
EH3 8HE
Ref: DR/CAP45/5

Company number: SC407753

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

BRIGHT ASCENSION LIMITED (the "Company")

ADOPTED BY SPECIAL RESOLUTION ON 20 AUGUST 2021

1. Interpretation

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

"Act"	the Companies Act 2006;
"A Deferred Share"	an issued A deferred share of £1.00 each in the share capital of the Company having the rights and subject to the restrictions set out in these Articles;
"Ainscough Observer"	an observer appointed pursuant to Article 3.4;
"Ainscoughs"	has the meaning given to it in the Investment Agreement;
"Associated Company"	has the meaning given in Article 35.3.1;
"Available Profits"	profits available for distribution within the meaning of part 23 of the Act;
"Bad Leaver"	an Employee Member who ceases to be an employee or director of or a consultant or service provider to a Group Company (and who is not consequently employed by another Group Company) and who is not a Good Leaver;
"B Deferred Share"	an issued B deferred share of £0.00001 each in the share capital of the Company having the rights and subject to the restrictions set out in these Articles;
"Board"	the board of directors of the Company from time to time;
"Business Day"	a day other than a Saturday or Sunday or public holiday in Edinburgh;
"C4C"	means Capital For Colleagues PLC, a company registered in England and Wales with registered number 08717989 and whose registered office is at 2nd Floor Office C The Design Centre, Roman Way, Crusader Park, Warminster, England, BA12 8SP
"C4C Director"	a Director appointed pursuant to Article 3.1;
"C4C Group"	means C4C and its Subsidiary Undertakings from time to time and "C4C Group Company" shall be construed accordingly;
"C4C Observer"	an observer appointed pursuant to Article 3.3;

"Change of Control"	the acquisition whether by purchase, transfer, renunciation or otherwise by a Third Party Purchaser of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him (excluding any person who was an original party to the Investment Agreement), would hold more than 50% of the voting rights attached to the issued shares of the Company;
"Colleagues' Council"	has the meaning given to it in the Investment Agreement;
"Directors"	the directors for the time being of the Company or a quorum of such directors present at a duly convened meeting of the directors;
"Disposal"	the sale of the whole or substantially the whole of the undertaking or assets of the Group;
"Eligible Director"	a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);
"Employee Benefit Trust"	the "Bright Ascension Employee Benefit Trust" established from time to time for the benefit of the employees of the Group;
"Employee Member"	a holder of Ordinary Shares (other than the Investors) who is also an employee or director of or a consultant or service provider (or similar capacity) to a Group Company;
"Employee Ownership Handbook"	means the handbook setting out (inter alia) the constitutional principles of employee ownership relating to the Group as adopted or amended from time to time by the Company;
"Exit"	the earlier to occur of: <ul style="list-style-type: none"> (a) the date and time at which an agreement for a Disposal is completed; (b) the date and time at which an agreement for a Sale is completed; or (c) a Flotation;
"Family Trust"	means as regards any particular individual Member or deceased or former individual Member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a will, testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a Share if such Share or the income thereof is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of power or discretion conferred thereby on any person or persons;

"Flotation"

the admission to listing of any part of the Company's share capital (or the share capital of any Group Member of the Company) on the London Stock Exchange plc, or any other recognised investment exchange (including without limitation any recognised investment exchange as defined in section 285 of the Financial Services and Markets Act 2000) and their respective share dealing markets or any prescribed market, recognised overseas investment exchange, designated investment exchange, or regulated market or equivalent in any part of the world, including without limitation a reverse takeover (within the meaning contained in (and in accordance with) the UKLA publication entitled "the Listing Rules" current at the date of this Agreement) by a member of another group of companies any of whose shares are already the subject of a Flotation;

"Founders"

Dr Mark McCrum and Dr Peter David Mendham, each c/o Bright Ascension Limited Suite 12, River Court, West Victoria Dock Road, Dundee, Scotland DD13JT;

"Good Leaver"

an Employee Member who ceases to be an employee or director of or a consultant or service provider (or similar capacity) to a Group Company (and who is not consequently employed, appointed or engaged by another Group Company):

(a) as a result of:

- (i) death;
- (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of drink or drugs) which, in the opinion of the Board is sufficiently serious to prevent him from carrying out his normal duties;
- (iii) retirement in accordance with his contract of employment;
- (iv) dismissal by a Group Company where such dismissal has been found by a tribunal or court or competent jurisdiction to be unfair or wrongful other than as a consequence of some procedural irregularity; or

(b) whom the Board (with Investors Consent) shall determine is a Good Leaver;

"Group"

means the Company and its Subsidiary Undertakings from time to time and "Group Company" shall be construed accordingly;

"Investment Agreement"

the investment agreement dated on or around the date of adoption of these Articles between the Managers (as therein defined), the Investors, and the Company (as amended, varied or supplemented from time to time);

"Investors"

means C4C, the Ainscoughs and Scottish Enterprise for so long as they hold Shares in the Company, and any person who has acquired Shares in accordance with the Investment Agreement and these Articles (and continues to hold Shares) and executes

	a Deed of Adherence as an Investor, and any of their Permitted Transferees;
"Investors Consent"	has the meaning given to it in the Investment Agreement;
"Issue Price"	in relation to any Share, the amount paid up or credited as paid up on it (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose after that);
"Lien Enforcement Notice"	has the meaning given in Article 14.1.1;
"Member"	a registered holder for the time being of Shares;
"Minor"	a person under the age of 16 years;
"Model Articles"	the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229);
"Performance Fee"	has the meaning given to it in the Investment Agreement;
"Ordinary Share"	an issued ordinary share of £0.00001 each in the share capital of the Company having the rights and subject to the restrictions set out in these Articles;
"Prescribed Period"	the period commencing on the Notice Date (as defined in Article 27.5) and ending on the last day of either the First Offer Period, the Second Offer Period or the Third Offer Period in accordance with Article 27.8, 27.9 or 27.10 (as applicable);
"Principles"	the principles set out in the Employee Ownership Handbook;
"Privileged Relation"	in relation to an individual Member or deceased or former individual Member, the husband or wife or the widower or widow of such Member and all the lineal descendants and ascendants in direct line of such Member and the brothers and sisters of such Member and a husband or wife or widower or widow of any of the above persons and for the purposes aforesaid a step-child or adopted child or illegitimate child of any person shall be deemed to be his or her lineal descendant;
"Relevant Proportion"	the proportion of Shares of a particular class held by a Member to the total number of Shares of that class;
"Sale"	the making of one or more unconditional agreements, or conditional agreements for which all conditions have been satisfied or waived, for the disposal, transfer, purchase, subscription or renunciation of any part of the share capital of the Company giving rise to a Change of Control and for the purposes of this definition " disposal " shall mean a sale, transfer, assignation or other disposition whereby a person ceases to be the absolute beneficial owner of the share in question or voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement;
"Scottish Enterprise" or "SE"	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, 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 Observer" an observer appointed pursuant to Article 3.5;

"Shares" the Ordinary Shares;

"SIP Trust" the "Bright Ascension Share Incentive Plan Trust" established from time to time for the benefit of the employees of the Group;

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the respective meanings set out in sections 1159 and 1162 of the Act;

"Third Party Purchaser" an individual or body corporate not being a Member or an "associate" (within the meaning of section 435 Insolvency Act 1986) of a Member;

"Transfer Notice" a notice in accordance with Article 27.2 that a Member desires to transfer all or part of his Shares;

"Trust Deed" the deed constituting the Employee Benefit Trust;

"Valuers" a firm of chartered accountants agreed between the Proposing Transferor (as defined in Article 27.2) and the Directors (with Investors Consent) or, in default of agreement within 10 Business Days of the first name being proposed by either of them, as appointed by the President of the Institute of Chartered Accountants in Scotland on the application of the Proposing Transferor or the Directors (with Investors Consent).

1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

1.3 In these Articles a reference to:

1.3.1 a person includes a reference to an individual, body corporate, association, government, state, agency of state or any undertaking (whether or not having a legal personality and irrespective of the jurisdiction in or under the law of which it was incorporated or exists); and

1.3.2 "these Articles" is to these articles of association (including the provisions of the Model Articles incorporated therein), and a reference to an article is to an article of these Articles,

in each case as amended from time to time in accordance with the terms of these Articles and the Act.

- 1.4 The contents table and headings in these Articles are for convenience only and do not affect their interpretation.
- 1.5 Words importing the singular include the plural and vice versa and words importing a gender include every gender.
- 1.6 Any question as to whether a person is "**connected with**" another shall be determined in accordance with sections 1122 and 1123 of the Corporation Tax Act 2010 (except that in construing section 1122 "**control**" has the meaning given by section 1124 or section 450 and 451 of that Act so that there is control whenever section 1124 or 450 and 451 requires) which shall apply in relation to these Articles as it applies in relation to that Act.
- 1.7 Save as expressly provided otherwise in these Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.8 These Articles do not confer any rights on any person or party (other than the Company and the holders of Shares) pursuant to any law.

2. Model Articles

- 2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 2.2 Articles 6(2), 9(1), 11 to 14 (inclusive), 16, 22, 26(5), 27 to 29 (inclusive), 36, 38, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company.
- 2.3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 2.4 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide".
- 2.5 Subject to the Act but without prejudice to any other terms of these Articles, the Company may (by passing an ordinary resolution of its members) purchase its own shares with cash up to an aggregate purchase price in any financial year of the lower of :-

2.5.1 £15,000; and

2.5.2 the nominal value of 5% of the Company's fully paid share capital as at the beginning of the relevant financial year.

3. Directors' meetings

- 3.1 C4C shall (so long as it remains a Member) have the right to appoint or maintain in office one person to be a Director to the Board (and to any committee of the Board) and to remove any such C4C Director so appointed and appoint another person in his place. Unless otherwise agreed in writing by the Board, any such removal or appointment shall take effect on the lodgement of a notice in writing, signed by or on behalf of the C4C, to the Directors at the Company's registered office.
- 3.2 The remuneration (if any) and reasonable expenses to be paid to the C4C Director referred to above shall be payable by the Company and shall be such sum as may be agreed between the C4C Director and the Company or, failing such agreement, as determined by the C4C. Upon request by the C4C the Company shall also procure (so far as it is able) that the C4C Director be appointed a director to

any other Group Company. For the avoidance of doubt the amount of any such remuneration is included within the fees payable to C4C by the Company as set out in the Investment Agreement.

- 3.3 In addition and without prejudice to the foregoing the C4C shall (so long as it remains a Member) also be entitled from time to time to appoint a person (not being a director of the Company) to attend all meetings of the directors or of committees of the Board as an observer and any person so appointed (the "**C4C Observer**") shall be given (at the same time as the directors) notice of all meetings of the Directors and all agendas, minutes and other papers relating to such meetings. The C4C Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that the C4C Observer shall not be entitled in any circumstances to vote. C4C may remove the C4C Observer appointed by it and appoint another person in his place.
- 3.4 In addition and without prejudice to the foregoing the Ainscoughs shall (so long as it remains a Member) also be entitled from time to time to appoint a person (not being a director of the Company) to attend all meetings of the directors or of committees of the Board as an observer and any person so appointed (the "**Ainscough Observer**") shall be given (at the same time as the directors) notice of all meetings of the Directors and all agendas, minutes and other papers relating to such meetings PROVIDED THAT if the Ainscoughs choose not to appoint an Ainscough Observer they shall still be entitled to receive all such agendas, minutes and other board papers. The Ainscough Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that the Ainscough Observer shall not be entitled in any circumstances to vote. The Ainscoughs may remove the Ainscough Observer appointed by them and appoint another person in his place.
- 3.5 In addition and without prejudice to the foregoing SE shall (so long as it remains a Member) also be entitled from time to time to appoint a person (not being a director of the Company) to attend all meetings of the directors or of committees of the Board as an observer and any person so appointed (the "**SE Observer**") shall be given (at the same time as the directors) notice of all meetings of the Directors and all agendas, minutes and other papers relating to such meetings PROVIDED THAT if SE chooses not to appoint an SE Observer it shall still be entitled to receive all such agendas, minutes and other board papers. The SE Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that the SE Observer shall not be entitled in any circumstances to vote. SE may remove the SE Observer appointed by it and appoint another person in his place.
- 3.6 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with Article 4.
- 3.7 Subject as provided in these Articles, the Directors may participate in Directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.8 The provisions of Article 5.2 shall apply equally to meetings of any committee of the Directors as to meetings of the Directors.

4. Decisions of Directors

- 4.1 All decisions made at any meeting of the Directors or of any committee of the Directors shall be made only by resolution, and no such resolution shall be passed unless there is a majority vote for it. Each Eligible Director has one vote at a meeting of Directors.
- 4.2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.3 A decision may not be taken in accordance with this Article if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter.
- 4.4 The chairman of Directors' meetings shall not have a casting vote.

- 4.5 In making any decision, the Directors shall have regard to the Principles and the views of the Colleagues' Council and article 7 of the Model Articles shall be construed accordingly.
- 4.6 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.
- 4.7 The Directors may delegate any of the powers which are conferred on them under these Articles to a committee of Directors, and any such committee must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.
- 5. Number of Directors and quorum**
- 5.1 Unless and until determined otherwise by a Members resolution, the minimum number of Directors shall be one and the maximum number of Directors shall be five (5). No shareholding qualification for Directors shall be required.
- 5.2 The quorum at any meeting of the Directors shall be two (2) directors (unless only one Director shall have been appointed in which case the quorum shall be one Director) which must include an C4C Director unless there is no such C4C Director in office for the time being.
- 5.3 No business shall be conducted at any meeting of the Directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time specified for the relevant meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned for five (5) Business Days at the same time and place or to such time and place as the Directors determine. If at any adjourned meeting such quorum is not present within thirty (30) minutes from the time appointed, then any one Eligible Director shall be a quorum which must include a C4C Director unless there is no such C4C Director in office for the time being.
- 6. Directors' interests**
- 6.1 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 so authorised, involve a Director (the "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict").
- 6.2 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):
- 6.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
 - 6.2.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
 - 6.2.3 provide that the Interested Director 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 related to the Conflict;
 - 6.2.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
 - 6.2.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and

- 6.2.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.
- 6.3 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Members in relation to the Conflict.
- 6.4 The Directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 6.5 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 in accordance with these Articles (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 6.6 Subject to sections 177(5) and 177(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 6.7 Subject to sections 182(5) and 182(6) of the Act, a Director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under Article 6.6.
- 6.8 Subject, where applicable, to any terms and conditions imposed by the Directors in accordance with Article 6.2, and provided a Director has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 6.8.1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
- 6.8.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 6.8.3 shall be entitled to vote at a meeting of Directors (or of a committee of Directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
- 6.8.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- 6.8.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 6.8.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

7. Alternate Directors

7.1 Any Director (the "appointor") may appoint as an alternate any other Director, or any other person approved by resolution of the Directors, to:

7.1.1 exercise that Director's powers; and

7.1.2 carry out that Director's responsibilities,

in relation to the taking of decisions by the Directors, in the absence of the alternate's appointor.

7.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the Directors.

7.3 The notice must:

7.3.1 identify the proposed alternate; and

7.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.

7.4 An alternate director may act as alternate director to more than one Director and has the same rights in relation to any decision of the Directors as the alternate's appointor.

7.5 Except as these Articles specify otherwise, alternate directors:

7.5.1 are deemed for all purposes to be Directors;

7.5.2 are liable for their own acts and omissions;

7.5.3 are subject to the same restrictions as their appointors; and

7.5.4 are not deemed to be agents of or for their appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member.

7.6 A person who is an alternate director but not a Director:

7.6.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating); and

7.6.2 may participate in a unanimous decision of the Directors (but only if his appointor is an Eligible Director in relation to that decision, but does not participate).

7.7 A Director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the Directors (provided that his appointor is an Eligible Director in relation to that decision).

7.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as his appointor but shall not be entitled to receive any remuneration from the Company for serving as an alternate director except such part of the appointor's remuneration as the appointor may direct by notice in writing made to the Company.

7.9 An alternate director's appointment as an alternate terminates:

- 7.9.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 7.9.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a Director;
- 7.9.3 on the death of the alternate's appointor; or
- 7.9.4 when the alternate's appointor's appointment as a Director terminates.

8. Secretary

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

9. Dividends

- 9.1 Any Available Profits which the Company, on the recommendation of the Board, determines to distribute shall be applied on a non-cumulative basis and payable to the holders of the Ordinary Shares.
- 9.2 Subject to the Act and the terms of the Investment Agreement, the Directors may pay interim dividends provided that the Available Profits of the Company justify the payment.
- 9.3 Except as otherwise provided by these Articles or the rights attached to Shares, all dividends must be:
 - 9.3.1 declared and paid according to the amounts paid up on the Shares on which the dividend is paid; and
 - 9.3.2 apportioned and paid proportionately to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid.
- 9.4 If:
 - 9.4.1 a Share is subject to the Company's lien; and
 - 9.4.2 the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a lien enforcement notice. Money so deducted shall be used to pay any of the sums payable in respect of that Share. The Company shall notify the distribution recipient in writing of the fact and sum of any such deduction.

10. Return of Capital

- 10.1 As regards capital, on a return of assets on liquidation or capital reduction or otherwise at any time, the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities shall be applied to the holders of the Ordinary Shares and B Deferred Shares but such application to be on the basis that the aggregate return attributable to every 50,000 of B Deferred Shares shall be an amount equal to the aggregate return attributable to 7,143 Ordinary Shares. The A Deferred Shares shall not be entitled to any payment on a return of assets on liquidation or capital reduction or otherwise.

- 10.2 In the event of an Exit, the Members shall ensure that the total of all and any consideration received (whether in cash or otherwise) that is the subject of the Sale, Disposal or Flotation is allocated between the Members so as to ensure that the proceeds of such Exit are distributed in accordance with Article 10.1.

11. Voting

- 11.1 As regards voting in general meetings the holders of the Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company.
- 11.2 On a show of hands every Member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every Member so present shall have one vote for each Share held by him.
- 11.3 The A Deferred Shares and B Deferred Shares shall not be entitled to receive notice of, and to attend and vote at, general meetings of the Company.

12. Issue of Shares

- 12.1 Other than as may be determined by special resolution of the Company in general meeting (and subject always to Investors Consent) any unissued Shares from time to time shall, before they are issued, be offered to all the holders of the Ordinary Shares in proportion to the amounts (excluding any premium paid on subscription) paid up on the Ordinary Shares held by them respectively (and each such offer shall be at the same price and on the same terms to each such relevant Member). Such offer shall be made by notice specifying the number of Shares offered, the proportionate entitlement of the relevant Member, the price per Share and limiting a period (being not less than 20 Business Days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such period the Directors shall offer the Shares so declined to the persons who have, within the said period, accepted all the Shares offered to them in the same manner as the original offer and limited by a period of not less than ten (10) Business Days. If any Shares comprised in such further offer are declined or deemed to be declined such further offer shall be withdrawn in respect of such Shares. At the expiration of the time limited by the notice(s) the Directors shall allot the Shares so offered to or amongst the Members who have notified their willingness to take all or any of such Shares in accordance with the terms of the offer. No Member shall be obliged to take more than the maximum number of Shares he has indicated his willingness to take.
- 12.2 Any Shares not accepted pursuant to Article 12 above or not capable of being so offered except by way of fractions or in respect of any Shares released from the provisions of Article 12 by special resolution as therein specified, shall be at the disposal of the Company and the Directors may (subject to Investors Consent) 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 provided further that, in the case of Shares not accepted as aforesaid, such Shares shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the relevant Members, or at a discount. No Share shall be issued more than three (3) months after the end of the period for the acceptance of the last offer made under Article 12 unless the procedure in Article 12 and this Article 12.2 is repeated in relation to that Share.
- 12.3 Any Ordinary Shares allotted hereunder shall rank *pari passu* with the existing Ordinary Shares.
- 12.4 The Company shall not issue any Shares without Investors Consent.
- 12.5 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act).

13. Company's lien over partly paid Shares

13.1 The Company has a lien (the "**Company's lien**") over every Ordinary Share which is partly paid for any part of:

13.1.1 that Ordinary Share's nominal value; and

13.1.2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

13.2 The Company's lien over an Ordinary Share:

13.2.1 takes priority over any third party's interest in that Ordinary Share; and

13.2.2 extends to any dividend or other money payable by the Company in respect of that Ordinary Share and (if the lien is enforced and the Ordinary Share is sold by the Company) the proceeds of sale of that Ordinary Share.

13.3 The Directors may at any time decide that an Ordinary Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

14. Enforcement of the Company's lien

14.1 Subject to the provisions of Articles 10 to 13, if:

14.1.1 a notice complying with Article 14.2 (a "**Lien Enforcement Notice**") has been given in respect of an Ordinary Share; and

14.1.2 the person to whom the notice was given has failed to comply with it,

the Company may sell that Ordinary Share in such manner as the Directors decide.

14.2 A Lien Enforcement Notice:

14.2.1 may only be given in respect of an Ordinary Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

14.2.2 must specify the Ordinary Share concerned;

14.2.3 must require payment of the sum payable within fourteen (14) days of the notice;

14.2.4 must be addressed either to the holder of the Ordinary Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and

14.2.5 must state the Company's intention to sell the Ordinary Share if the notice is not complied with.

14.3 Where Ordinary Shares are sold under Article 14.1:

14.3.1 the Directors may authorise any person to execute an instrument of transfer of the Ordinary Shares to the purchaser or a person nominated by the purchaser; and

14.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

- 14.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 14.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice;
- 14.4.2 second, to the person entitled to the Ordinary Shares at the date of the sale, but only after the certificate for the Ordinary Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Ordinary Shares before the sale for any money payable in respect of the Ordinary Shares after the date of the lien enforcement notice.
- 14.5 A statutory declaration by a Director that the declarant is a Director and that an Ordinary Share has been sold to satisfy the Company's lien on a specified date:
- 14.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Ordinary Share; and
- 14.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Ordinary Share.
15. **Call notices**
- 15.1 Subject to the Articles and the terms on which Ordinary Shares are allotted, the Directors may send a notice (a "call notice") to a Member requiring the Member to pay the Company a specified sum of money (a "call") which is payable in respect of Ordinary Shares which that Member holds at the date when the Directors decide to send the call notice.
- 15.2 A call notice:
- 15.2.1 may not require a Member to pay a call which exceeds the total sum unpaid on that Member's Ordinary Shares (whether as to the Ordinary Share's nominal value or any amount payable to the Company by way of premium);
- 15.2.2 must state when and how any call to which it relates it is to be paid; and
- 15.2.3 may permit or require the call to be paid by instalments.
- 15.3 A Member must comply with the requirements of a call notice, but no Member is obliged to pay any call before fourteen (14) days have passed since the notice was sent.
- 15.4 Before the Company has received any call due under a call notice the Directors may:
- 15.4.1 revoke it wholly or in part; or
- 15.4.2 specify a later time for payment than is specified in the notice,
- by a further notice in writing to the Member in respect of whose Ordinary Shares the call is made.
- 15.5 Neither the relevant Member nor any Director who is a representative of the relevant Member shall be entitled to vote on any resolution (either at any general meeting of the Company or at a meeting of the Directors) in respect of making any such call or the enforcement of any security which the Company may have in respect of such unpaid monies.
16. **Liability to pay calls**
- 16.1 Liability to pay a call is not extinguished or transferred by transferring the Ordinary Shares in respect of which it is required to be paid.

16.2 Joint holders of an Ordinary Share are jointly and severally liable to pay all calls in respect of that Ordinary Share.

16.3 Subject to the terms on which Ordinary Shares are allotted, the Directors may, when issuing Ordinary Shares, provide that call notices sent to the holders of those Ordinary Shares may require them:

16.3.1 to pay calls which are not the same; or

16.3.2 to pay calls at different times.

17. **When call notice need not be issued**

17.1 A call notice need not be issued in respect of sums which are specified, in the terms on which an Ordinary Share is issued, as being payable to the Company in respect of that Ordinary Share (whether in respect of nominal value or premium):

17.1.1 on allotment;

17.1.2 on the occurrence of a particular event; or

17.1.3 on a date fixed by or in accordance with the terms of issue,

but if the due date for payment of such a sum has passed and it has not been paid, the holder of the Ordinary Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

18. **Failure to comply with call notice: automatic consequences**

18.1 If a person is liable to pay a call and fails to do so by the call payment date:

18.1.1 the Directors may issue a notice of intended forfeiture to that person; and

18.1.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

18.2 For the purposes of this Article 18:

18.2.1 the "**call payment date**" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "**call payment date**" is that later date;

18.2.2 the "**relevant rate**" is:

(a) the rate fixed by the terms on which the Ordinary Share in respect of which the call is due was allotted;

(b) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the Directors; or

(c) if no rate is fixed in either of these ways, 5 per cent per annum.

18.2.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

18.2.4 The Directors may waive any obligation to pay interest on a call wholly or in part.

19. Notice of intended forfeiture

19.1 A notice of intended forfeiture:

- 19.1.1 may be sent in respect of any Ordinary Share in respect of which a call has not been paid as required by a call notice;
- 19.1.2 must be sent to the holder of that Ordinary Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 19.1.3 must require payment of the call and any accrued interest by a date which is not less than fourteen (14) days after the date of the notice;
- 19.1.4 must state how the payment is to be made; and
- 19.1.5 must state that if the notice is not complied with, the Ordinary Shares in respect of which the call is payable will be liable to be forfeited.

20. Directors' power to forfeit shares

- 20.1 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any Ordinary Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Ordinary Shares and not paid before the forfeiture.

21. Effect of forfeiture

21.1 Subject to the Articles, the forfeiture of an Ordinary Share extinguishes:

- 21.1.1 all interests in that Ordinary Share, and all claims and demands against the Company in respect of it; and
- 21.1.2 all other rights and liabilities incidental to the Ordinary Share as between the person whose Ordinary Share it was prior to the forfeiture and the Company.

21.2 Any Ordinary Share which is forfeited in accordance with the Articles:

- 21.2.1 is deemed to have been forfeited when the Directors decide that it is forfeited;
- 21.2.2 is deemed to be the property of the Company; and
- 21.2.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.

21.3 If a person's Ordinary Shares have been forfeited:

- 21.3.1 the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- 21.3.2 that person ceases to be a Member in respect of those Ordinary Shares;
- 21.3.3 that person must surrender the certificate for the Ordinary Shares forfeited to the Company for cancellation;
- 21.3.4 that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Ordinary Shares, including any interest (whether accrued before or after the date of forfeiture); and

21.3.5 the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Ordinary Shares at the time of forfeiture or for any consideration received on their disposal.

21.4 At any time before the Company disposes of a forfeited Ordinary Share, the Directors may decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

22. Procedure following forfeiture

22.1 If a forfeited Ordinary Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

22.2 A statutory declaration by a Director that the declarant is a Director and that an Ordinary Share has been forfeited on a specified date:

22.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Ordinary Share; and

22.2.2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Ordinary Share.

22.3 A person to whom a forfeited Ordinary Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Ordinary Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Ordinary Share.

22.4 If the Company sells a forfeited Ordinary Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

22.4.1 was, or would have become, payable; and

22.4.2 had not, when that Ordinary Share was forfeited, been paid by that person in respect of that Ordinary Share,

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

23. Surrender of Shares

23.1 A Member may surrender any Ordinary Share:

23.1.1 in respect of which the Directors may issue a notice of intended forfeiture;

23.1.2 which the Directors may forfeit; or

23.1.3 which has been forfeited.

23.2 The Directors may accept the surrender of any such Ordinary Share.

23.3 The effect of surrender on an Ordinary Share is the same as the effect of forfeiture on that Ordinary Share.

23.4 An Ordinary Share which has been surrendered may be dealt with in the same way as an Ordinary Share which has been forfeited.

24. Variation of class rights

- 24.1 Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 75% of the issued shares of that class, but not otherwise.

25. Transfer of Shares

- 25.1 Shares may be transferred by transfer in writing in usual common form or in any other form approved by the Directors. The instrument of transfer shall be signed by or on behalf of and as attorney for the transferor and, when the Share is not fully paid, shall also be signed by the transferee.
- 25.2 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is duly stamped and is accompanied by the relevant share certificate and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf and as his attorney, the authority of that person so to do). All instruments of transfer which are registered may be retained by the Company.
- 25.3 Notwithstanding any other provision of these Articles, the Board shall not register a transfer of any interest in a Share if it is to a Minor in Scotland, undischarged bankrupt, trustee in bankruptcy or person who (in the opinion of the Board) is of unsound mind or unless the transfer is made in accordance with these Articles. In either case (other than in respect of a transfer to a Third Party Purchaser under Article 29 or 30) if the transferee is not already a party to the Investment Agreement, he must have entered into a deed of adherence to, and in the form required by, the Investment Agreement.
- 25.4 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or other encumbrance.

26. Permitted transfers

- 26.1 Notwithstanding the provisions of any other Article, the transfers set out in this Article 26 shall be permitted without restriction and the provisions of Articles 27, 28 and 29 have no application.
- 26.2 Any Shares held by trustees of the Employee Benefit Trust may at any time be transferred (or any option or right to acquire any such Shares may be granted) to any employee of the Company in accordance with the Trust Deed and/or any rules made thereunder. On any change of trustees of the Employee Benefit Trust, any Shares held by such trustee may be transferred to the new trustees of the Employee Benefit Trust.
- 26.3 Any person may transfer any Shares held by him to the trustees of the Employee Benefit Trust or the SIP Trust.
- 26.4 Notwithstanding any other provision contained in these Articles, 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).
- 26.5 Notwithstanding any other provision contained in these Articles, the Board shall register the transfer of any Shares made from C4C to the Ainscoughs (or either of them) or from the Ainscoughs (or either of them) to C4C or from one of the Ainscoughs to the other.
- 26.6 On any change of trustees of the Employee Benefit Trust, any Shares held by such trustee may be transferred to the new trustees of the Employee Benefit Trust
- 26.7 On any change of trustees of the SIP Trust, any Shares held by such trustee may be transferred to the new trustees of the SIP Trust.

- 26.8 Any Ordinary Share held by C4C may at any time be transferred to:-
- 26.8.1 any company in the C4C Group; and
 - 26.8.2 any person (other than to a Minor in Scotland, an undischarged bankrupt or a person of unsound mind).
27. **Pre-emption on transfer**
- 27.1 Unless Members holding 75% or more of the Ordinary Shares agree in writing to waive the requirements of this Article 27 and save for any transfer made pursuant to Articles 26, 29 or 30, the right to transfer Ordinary Shares or any interest in Ordinary Shares shall be subject to the following restrictions and provisions. References in this Article 27 to Shares or Sale Shares shall include any interest in and grant of contractual rights or options over or in respect of such Shares.
- 27.2 Any Member (the "**Proposing Transferor**") proposing to transfer any Ordinary Shares (the "**Sale Shares**"), shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company (a "**Transfer Notice**"). The Transfer Notice shall specify:
- 27.2.1 that he desires to transfer the Sale Shares;
 - 27.2.2 whether or not he has received an offer from a Third Party Purchaser for the Sale Shares and if so the identity of such Third Party Purchaser and the price so offered;
 - 27.2.3 the price at which he is prepared to sell the Sale Shares in accordance with the following provisions of this Article 27 (the "**Proposed Price**"); and
 - 27.2.4 whether the Proposing Transferor wishes to impose a condition that unless all of the Sale Shares are sold pursuant to this Article 27 none shall be sold (a "**Total Transfer Condition**"), but in the absence of such statement the Transfer Notice shall be deemed not to contain a Total Transfer Condition.
- 27.3 The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) during the Prescribed Period to any Members on the basis set out in the following provisions of this Article 27 and shall not be revocable except with the consent of the Directors and with Investors Consent or in accordance with Article 27.6.
- 27.4 In the event that the Transfer Notice contains a Total Transfer Condition, then no offer of Sale Shares made by the Company pursuant to this Article 27 shall be capable of acceptance until all the Sale Shares have been accepted in accordance with the following provisions of this Article 27. If the Company does not receive acceptances in respect of all the Sale Shares within the periods specified in this Article 27, it shall forthwith give notice in writing of that fact to each of the Members (including the Proposing Transferor) and the Proposing Transferor shall be entitled to offer all (but not part of) the Sale Shares to the Third Party Purchaser specified in the Transfer Notice, at the price specified in the Transfer Notice, in accordance with Article 27.2.
- 27.5 The Sale Shares shall be offered for purchase in accordance with this Article 27 at a price per Sale Share (the "**Sale Price**") as agreed between the Proposing Transferor and the Directors (with Investors Consent) or, in default of such agreement within fifteen (15) Business Days after the date of service of the Transfer Notice (the "**Notice Date**"), the lower of:
- 27.5.1 the Proposed Price; and
 - 27.5.2 the price per Sale Share (the "**Valuer's Price**") as determined by the Valuers in accordance with Article 27.6.
- 27.6 If the Sale Price shall not have been agreed between the Proposing Transferor and the Directors (with Investors Consent) within the time limit prescribed in Article 27.5, then immediately following the expiry of such period the Directors shall refer the matter to the Valuers and the Valuers shall determine and certify the sum per Share, with all classes of shares being valued equally for the

purposes of the valuation, considered by them to be the fair value thereof as at the Notice Date in accordance with the principles set out in Article 27.7. The Valuers shall act as experts and not as arbiters and their determination shall be final and binding on all persons concerned and (in the absence of fraud or manifest error) they shall be under no liability to any such person by reason of their determination or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith. Subject always to Article 27.4, the cost and expense of the Valuers shall be borne by the Company save where the price determined by the Valuers is lower than the price offered by the Directors during the discussions referred to at Article 28.5, in which case the costs and expenses of the Valuers shall be borne by the Proposing Transferor. Save where the Transfer Notice is a Compulsory Transfer Notice given in accordance with Article 28 or otherwise, the Proposing Transferor may withdraw the Transfer Notice within five (5) Business Days of the Valuer's Price being notified to him.

27.7 If the Valuers are required to determine fair value pursuant to Article 27.6, then fair value will be determined by the Valuers valuing the Company as a whole:

- 27.7.1 assuming, if the Company is then carrying on business as a going concern, that it will continue to do so;
- 27.7.2 assuming that the entire issued share capital of the Company is being sold as between a willing buyer and a willing seller by arm's-length private treaty for cash payable in full on completion;
- 27.7.3 taking account of any Shares which may be allotted pursuant to options which have been granted by the Company and which have not been exercised;
- 27.7.4 taking account of any bona fide offer for the Company received from an unconnected third party within six months prior to the Transfer Notice being served;
- 27.7.5 taking account of any arrears, accruals or deficiencies of dividend on Shares;
- 27.7.6 disregarding whether the Shares concerned represent a majority or a minority interest and disregarding any restriction as to the transferability of the Shares in these Articles; and
- 27.7.7 taking account of any debt financing or loans which the Company may be subject to.

27.8 If the Transfer Notice is not withdrawn in accordance with these Articles, the Company shall offer the Sale Shares for purchase at the Sale Price by a written notice (the "**First Offer Notice**") given within the later of fifteen (15) Business Days after the Sale Price is agreed or determined under Article 27.5 or the expiry of the period prescribed in Article 27.5, to such persons who were on the date of the First Offer Notice the registered holders of Ordinary Shares. The First Offer Notice shall invite the relevant Members to state in writing the maximum number of Sale Shares which they wish to purchase. In the event of competition the Sale Shares shall be sold to the acceptors in proportion to the number of Ordinary Shares held (as nearly, as may be without involving fractions, or increasing the number, sold to a relevant Member beyond that applied for by him) and the shareholding of the Proposing Transferor shall be disregarded for the purpose of calculating this proportion. The period during which the holders of Ordinary Shares may accept the offer contained in the First Offer Notice shall commence on the date of the First Offer Notice and terminate ten (10) Business Days thereafter (the "**First Offer Period**").

27.9 Any Sale Shares not accepted by holders of Ordinary Shares pursuant to Article 27.8 by the end of the last day of the First Offer Period, shall be offered by a written offer notice (the "**Second Offer Notice**") given within ten (10) Business Days of the expiry of the First Offer Period, to the Employee Benefit Trust. The Employee Benefit Trust may only accept the offer with Investors Consent. The period during which the Employee Benefit Trust may accept the offer contained in the Second Offer Notice shall commence on the date of the Second Offer Notice and terminate ten (10) Business Days thereafter (the "**Second Offer Period**").

27.10 Any Sale Shares not accepted by the holders of Ordinary Shares or the Employee Benefit Trust pursuant to Articles 27.8 or 27.9 by the end of the last day of the Second Offer Period, shall be

offered by a written offer notice (the "**Third Offer Notice**") given within ten (10) Business Days of the expiry of the Second Offer Period, to the Investors. The Third Offer Notice shall invite each Investor to state in writing the maximum number of Sale Shares which it wishes to purchase. The period during which the Investors may accept the offer contained in the Third Offer Notice shall commence on the date of the Third Offer Notice and terminate ten (10) Business Days thereafter (the "**Third Offer Period**").

- 27.11 Any Shares not accepted by any of the persons pursuant to the foregoing provisions of these Articles by the end of the last day of the Third Offer Period may be offered by the Proposing Transferor to such persons as he may think fit for purchase at the Sale Price (provided always that the identity of such person(s) shall have been approved by the Directors and subject to Investors Consent) for a period of three months commencing on the day after the day on which the Third Offer Period terminates. If a Total Transfer Condition applies and, at the end of the period of three months, there remain Sale Shares that have not been accepted then, unless the Proposing Transferor agrees in writing to withdraw the Total Transfer Condition, the provisions of Article 27.4 shall apply.
- 27.12 If, after the expiry of the three month period referred to in Article 27.11, all of the Sale Shares have been accepted, the Directors shall allocate the Sale Shares in accordance with the acceptances received on the basis set out in Articles 27.8 to 27.11. The Directors shall within five (5) Business Days of the expiry of such three month period, give notice in writing (the "**Sale Notice**") to the Proposing Transferor and to each accepting Member (each a "**Purchaser**") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the aggregate price payable for them.
- 27.13 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice (being not less than three (3) Business Days nor more than ten (10) Business Days after the date of the Sale Notice or anytime after the Sale Notice has been given if all the Sale Shares are to be purchased by the Company) when the Proposing Transferor, upon payment to him by a Purchaser or the Company (as the case may be) (each a "**Proposing Transferee**") of the Sale Price in respect of the Sale Shares allocated to that Proposing Transferee, shall transfer those Sale Shares and deliver the relevant share certificates to that Proposing Transferee or cancel the relevant Sale Shares which have been purchased by the Company (in the event the Company buys the Sale Shares for any reason).
- 27.14 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Proposing Transferee hereunder the Directors may authorise some person to execute and deliver on his behalf and as his attorney the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Proposing Transferee(s) to be registered as the holder(s) of such shares or cancel such shares that have been purchased by the Company. The receipt of the Company for the purchase money shall constitute a good discharge to the Proposing Transferee(s) (who shall not be bound to see to the application thereof) and after the Proposing Transferee(s) has been registered or such shares cancelled (as the case may be) in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company (or they shall otherwise have been delivered on his behalf hereunder).
28. **Compulsory transfers**
- 28.1 A person entitled to an Ordinary Share in consequence of the death or bankruptcy of a Member, shall be bound at any time within a period of thirty six (36) months of such death or bankruptcy, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such Ordinary Share and the provisions of Articles 27.2 to 27.14 shall apply to the transfer of those Shares.
- 28.2 If an Employee Member ceases to be an employee or director of or a consultant or service provider (or similar capacity) to a Group Company at any time then, within thirty six (36) months after such

cessation, the Directors may serve notice (a "**Compulsory Transfer Notice**") on such Employee Member requiring that a Transfer Notice be given in respect of:

- 28.2.1 all Shares registered in the name of the Employee Member immediately before such cessation;
- 28.2.2 all Shares held immediately before such cessation by the Employee Member's Privileged Relations and/or Family Trusts (other than Shares which the Directors are satisfied were not acquired by such holders by reason of their connection with the Employee Member),

(in each case, a "**Compulsory Transferor**") and the provisions of Articles 27.2 to 27.14 shall (subject to Articles 28.3 to 28.6) apply to the transfer of those Ordinary Shares.

- 28.3 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 28.2 and the Employee Member is a Good Leaver then the price per Share at which the Shares held by the Compulsory Transferor(s) will be offered for sale pursuant to Article 27 will be fair value as determined by the Valuers in accordance with Article 27.6 and the "**Sale Price**" will be construed accordingly in these Articles.
- 28.4 If the Compulsory Transfer Notice is served by the Directors in accordance with Article 28.2 and the Employee Member is a Bad Leaver then the price per Share at which the Shares held by the Compulsory Transferor(s) will be offered for sale pursuant to Article 27 will be the lower of (i) par value and (ii) fair value as determined by the Valuers in accordance with Article 27.6 and the "**Sale Price**" will be construed accordingly in these Articles.
- 28.5 For the purposes of determining fair value pursuant to Articles 28.3 and 28.4, the fair value of the relevant Ordinary Shares shall be determined at the Termination Date (as defined in Article 28.6).
- 28.6 For the purpose of Article 28.5, the date upon which an Employee Member ceases to hold office as an employee (the "**Termination Date**") as described therein shall:
 - 28.6.1 where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, whether or not the same constitutes a wrongful or unfair dismissal, be the later of the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination) and the date (if any) for the termination expressly stated in such notice;
 - 28.6.2 where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the later of the date of that notice and the date (if any) for the termination expressly stated in such notice;
 - 28.6.3 where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated be the date of such acceptance by the employee or employer respectively;
 - 28.6.4 where a contract of employment is terminated under the doctrine of frustration, be the date of the frustrating event; and
 - 28.6.5 where a contract of employment is terminated, be the date on which the person actually ceases to be employed by the employer.
- 28.7 In a case where the Directors have duly required a Transfer Notice to be given in respect of any Ordinary Shares and such Transfer Notice is not duly given within a period of 5 Business Days or such longer period as the Directors may allow for the purpose, such Transfer Notice shall be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the forgoing provisions of these Articles shall take effect accordingly.

- 28.8 In the event that a Founder ceases to be an employee or director of or a consultant or service provider (or similar capacity) to a Group Company at any time then the provisions of this Article 28 shall not apply to 40,000 Ordinary Shares held by such Founder (which shall be retained by such Founder) and the provisions of this Article 28 will only apply to the balance of shares held by such Founder.
29. **Drag along right**
- 29.1 If the holders, at any time, of not less than 75% of the Ordinary Shares (the "**Selling Members**") shall receive an offer from a Third Party Purchaser which they intend to accept to acquire all the Ordinary Shares held by the Selling Members then, subject to Investors Consent and Article 29.7, the Selling Members shall have the option (the "**Drag Along Option**") to require all the other Members (the "**Remaining Members**") to transfer all their Ordinary Shares (the "**Remaining Shares**") to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 29 and, for the avoidance of doubt, the provisions of Articles 27 and 28 shall not apply to such proposed sale or transfer.
- 29.2 The Selling Members shall exercise the Drag Along Option by giving notice to that effect (a "**Drag Along Notice**") to the Remaining Members at any time before the transfer of the Selling Members' Ordinary Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Remaining Members are required to transfer all their Remaining Shares pursuant to this Article 29 to the Third Party Purchaser, the price at which the Remaining Shares are to be transferred (being not less than the price per Share payable by the Third Party Purchaser in respect of the Shares held by the Selling Members (subject always to Article 29.6)) and the proposed date of transfer. A Drag Along Notice shall be irrevocable unless the Third Party Purchaser refuses to acquire the Remaining Shares on the terms of this Article 29.
- 29.3 The Remaining Members shall be obliged to sell the Remaining Shares at the price specified in the Drag Along Notice (subject to any relevant provisions contained in the Investment Agreement) and completion of this sale and purchase shall take place on receipt of the consideration payable for the relevant Ordinary Shares and on the same date as the date proposed for completion of the sale of the Selling Members' Shares, unless:
- 29.3.1 all the Remaining Members and the Selling Members agree otherwise; or
- 29.3.2 the date is less than 10 Business Days after the Drag Along Notice, in which case completion shall take place on the 10th Business Days after the Drag Along Notice.
- 29.4 Each of the Remaining Members shall, on service of the Drag Along Notice, be deemed to have appointed each of the Selling Members severally as his agent and his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Remaining Shares to the Third Party Purchaser pursuant to this Article 29.
- 29.5 The terms upon which the Remaining Members shall sell pursuant to this Article 29 shall at all times be subject to any relevant provisions contained in the Investment Agreement but shall include a covenant by each Remaining Member to sell his whole right, title and interest in and to such Shares. The Members shall give normal commercial warranties and indemnities regarding the Company, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale provided that the Investors will only be required to provide title and capacity warranties rather than commercial warranties and indemnities.
- 29.6 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article 29.
- 29.7 In the event that a Drag Along Notice is issued then the Employee Benefit Trust and the SIP Trust shall have the period of fifteen (15) Business Days to consider the Drag Along Notice ("**EBT Option Period**") and either accept the Drag Along Notice or give notice in writing ("**EBT Notice**") to all other Members that the Employee Benefit Trust and the SIP Trust wishes to purchase all of the shares of all the other Members at the same price per share as contained in the Drag Along Notice. If the Employee Benefit Trust or the SIP Trust does not issue a notice by the expiry of the EBT Option Period then the Employee Benefit Trust and the SIP Trust will be deemed to have accepted the Drag

Along Notice and shall be bound by the terms of this Article 29. If the Employee Benefit Trust and/or the SIP Trust serves an EBT Notice then the Employee Benefit Trust and/or the SIP Trust shall have the period of thirty (30) Business Days to arrange for the transfer of funds to the Company's solicitors for the purchase of the shares of all the other Members and in the event that the Employee Benefit Trust and/or the SIP Trust arranges the transfer of funds to the Company's solicitors within such time period then all the other Members of the Company shall be required to transfer their shares to the Employee Benefit Trust and/or the SIP Trust pursuant to this Article 29 with all references to the Third Party Purchaser being deemed to mean the Employee Benefit Trust and/or the SIP Trust.

30. Tag along option

30.1 No sale or transfer or other disposition of not less than 75% of the Ordinary Shares (the "**Specified Shares**") to a Third Party Purchaser shall have any effect unless before the transfer is lodged for registration the Third Party Purchaser acquiring the Specified Shares has made a bona fide offer (a "**Tag Along Offer**") in accordance with these Articles to purchase from the other Members such number of the Shares which are not Specified Shares (the "**Tag Along Shares**"). This Article is subject to the rights of the Selling Members in respect of the Drag Along Option as set out in Article 29.

30.2 A Tag Along Offer shall be in writing, shall specify the price at which the Tag Along Shares may be transferred (being the price payable by the Third Party Purchaser in respect of each of the Specified Shares), but subject to any relevant provisions contained in the Investment Agreement, shall be open for acceptance for at least fifteen (15) Business Days and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the time period prescribed for acceptance. The consideration payable pursuant to a Tag Along Offer shall be settled in full on completion of the sale and purchase of the Tag Along Shares and within twenty (20) Business Days of the date of the offer.

30.3 Following the acceptance of a Tag Along Offer by a holder of any Tag Along Shares, that Member shall be obliged to sell the Tag Along Shares held by it to the Third Party Purchaser at the price specified in the Tag Along Offer and any relevant provisions contained in the Investment Agreement) and completion of this sale and purchase shall take place on the same date as the date of completion of the sale of the Specified Shares.

30.4 The terms upon which the holders of the Tag Along Shares shall sell pursuant to this Article 30 shall include a covenant to sell his whole right, title and interest in and to such Shares and shall at all times be subject to any relevant provisions contained in the Investment Agreement. The Members shall give normal commercial warranties and indemnities regarding the Company, provided that the Investors will only be required to provide title and capacity warranties rather than commercial warranties and indemnities, and they shall be responsible for an appropriate proportion of any associated costs and expenses of such sale.

30.5 Each holder of Tag Along Shares who accepts a Tag Along Offer shall be deemed to have appointed each holder of Specified Shares severally as his agent and his attorney to execute any stock transfer form and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Tag Along Shares held by such Member to the Third Party Purchaser pursuant to this Article 30.

31. Information concerning shareholdings and transfers

31.1 For the purpose of ensuring that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member or the legal personal representatives of any deceased member or any person named as transferee in the transfer lodged for registration to furnish to the Company such information or evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in

writing that a Transfer Notice be given in accordance with Article 28 in respect of the Shares concerned.

- 31.2 From (and including) the date on which the Directors have duly required a Transfer Notice(s) to be given pursuant to these Articles, all holders of Shares subject to such Transfer Notice(s) shall not transfer or encumber any of their Shares or any interest in their Shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles.

32. Proceedings at general meetings

- 32.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be two persons present in person or by proxy and entitled to vote.
- 32.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- 32.3 At a general meeting, on a show of hands every Member who is present in person or by proxy shall, subject always to the provisions of Article 11, have one vote, unless the proxy is himself a Member entitled to vote; on a poll every Member present in person or by proxy shall have one vote for each Share of which he is the holder; and on a vote on a written resolution every Member has one vote for each Share of which he is the holder.
- 32.4 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 32.5 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Article.
- 32.6 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate".
- 32.7 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that Article.

33. Means of communication to be used

- 33.1 Subject to Article 33.2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- 33.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted;
- 33.1.2 if properly addressed and sent by prepaid airmail to an address outside the United Kingdom, 72 hours after it was posted;
- 33.1.3 if properly addressed and delivered by hand, when it was given or left at the appropriate address; and
- 33.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.
- 33.2 Any notice, document or other information served on, or delivered to, an intended recipient under these Articles may not be served or delivered in electronic form or by means of a website.

33.3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was delivered to an address permitted for the purpose by the Act.

34. **Company seal**

The Company need not have a company seal and pursuant to section 44 of the Act, the Company may execute and deliver any document as a deed under the signature of any two directors or of one director and the secretary or by a sole director. A certificate in respect of any shares or other securities in the Company shall be validly issued if it is executed as a deed as aforesaid.

35. **Indemnity**

35.1 A relevant Director (as defined in Article 35.3 below) shall be indemnified out of the Company's assets against any liability (other than a liability to the Company or an Associated Company) which that Director incurs in connection with:

35.1.1 civil proceedings in relation to the Company or an Associated Company (other than a liability incurred in defending proceedings brought by the Company or an Associated Company in which final judgment is given against the Director);

35.1.2 criminal proceedings in relation to the Company or an Associated Company (other than a fine imposed in such proceedings, or a liability incurred in defending proceedings in which the Director is convicted and the conviction is final);

35.1.3 regulatory action taken by or a regulatory investigation by a regulatory authority in relation to the Company or an Associated Company (unless a sum is payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising)); or

35.1.4 any application for relief under section 589 or 1157 of the Act unless the court refuses to grant the Director relief, and the refusal of relief is final.

35.2 For the purposes of Article 35.2, a judgment, conviction or refusal of relief becomes final:

35.2.1 if not appealed against, at the end of the period for bringing an appeal; or

35.2.2 if appealed against, at the time when the appeal (or any further appeal) is disposed of, and an appeal is disposed of:

35.2.2.1 if it is determined and the period for bringing any further appeal has ended; or

35.2.2.2 if it is abandoned or otherwise ceases to have effect.

35.3 In this Article 35:

35.3.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate ("**Associated Company**"); and

35.3.2 a "**relevant Director**" means any Director or former director of the Company.

36. **Insurance**

36.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

36.2 In this Article 36:

36.2.1 a "**relevant officer**" means any Director or former director of the Company, any other officer or employee or former officer or employee of the Company (but not its auditors)-or

any trustee of an occupational pension scheme (as defined in section 235(6) the Act) for the purposes of an employees' share scheme of the Company; and

36.2.2 a "**relevant loss**" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any Associated Company or any pension fund or employees' share scheme of the Company.

37. **Consents and approvals**

37.1 Where any consent or approval of the Investors or the C4C Director is required or sought the Investors or the C4C Director (as the case may be) shall, unless expressly stated otherwise, have a complete and unfettered discretion as to whether or not to impose any terms, conditions or limitations on any such consent or approval.

37.2 In respect of any approval, agreement, consent or direction or the exercise of a discretion required to, or which may be, given by the Investors, the Investors may authorise any person (including the C4C Director appointed by C4C) to give written consents and approvals on its behalf and the Investors shall give notice of such authorisation or resolution to the Company. Any C4C Director appointed by C4C is authorised to give written consents and approvals on behalf of C4C.

38. **Subsidiary undertakings**

38.1 The Directors shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertakings so as to secure (but as regards its subsidiary undertakings only insofar as the exercise of such right or powers of control the Directors can secure) that:

38.1.1 no shares or other securities are issued or allotted by any such subsidiary and no rights are granted which might require the issue of any shares or securities otherwise than to the Company or one of its wholly owned subsidiaries; and

38.1.2 neither the Company nor any of its subsidiaries transfers or disposes of any shares or securities of any subsidiary of the Company or any interest therein or any rights attached thereto otherwise than to the Company or one of its fully owned subsidiaries without in each case Investors Consent.

39. **Scottish Enterprise Voting Restrictions**

39.1 Subject to Article 39.3, in the event that as a result of the buyback, redemption, conversion, cancellation or forfeiture of any shares or the disenfranchisement of voting rights of any part of the share capital of the Company (or any other event having similar effect), the rights attributable to Scottish Enterprise (and/or the Scottish Enterprise Group) pursuant to these Articles would otherwise operate in such a manner as to give Scottish Enterprise (and/or the Scottish Enterprise Group) control of the exercise of 30% or more of the votes at a General Meeting of the Company (a "**Trigger Event**"), the voting rights of Scottish Enterprise (and/or any member of the Scottish Enterprise Group) applicable to their shareholding on any resolution proposed at a General Meeting shall be deemed to be restricted to 29.99% of the votes cast on any poll and the votes cast by any other holder of voting shares shall be deemed to be proportionately increased such that the aggregate voting rights of all other holders of voting shares for the purpose of any vote shall equal 70.01%.

39.2 The Company shall give notice to Scottish Enterprise immediately upon becoming aware of the occurrence or anticipated occurrence of any event which could reasonably be expected to constitute a Trigger Event.

39.3 The operation of Article 39.1 may be cancelled or suspended at any time or times either prior to the occurrence of any Trigger Event or subsequent to such provisions taking effect by Scottish Enterprise (and/or the Scottish Enterprise Group) in its sole discretion providing written notice to the Company of its intention to cancel or suspend the operation of Article 39.1. Immediately upon receipt of such notice, the provisions of Article 39.1 shall be suspended or cancelled accordingly. Votes taken by

the Company during the period of operation of any suspension or cancellation under this Article 39.3 shall not be affected by any such suspension or cancellation.

- 39.4 Notice given by Scottish Enterprise (and/or the Scottish Enterprise Group) in terms of Article 39.3 shall be given by the Company to all shareholders whose rights to vote are affected by the operation of such Article.