

THE COMPANIES ACT 2006  
COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS  
OF  
SAW DX LIMITED (THE "COMPANY")

On 12 August 2013 the following resolutions were passed as special resolutions of the Company:

SPECIAL RESOLUTIONS

- 2 **THAT**, the Company adopt the articles of association in the form of the draft articles of association attached hereto (the "**Articles**").
3. **THAT**, subject to the passing of Resolution 2, the rights of pre-emption contained in article 4 of the Articles be waived for the purpose of allotting such number of shares as are necessary to fulfil in full the obligations of the Company under the terms of a loan agreement entered into between the Company, IP2IPO Limited and IP Venture Fund II L.P. on or around the date hereof.

Director



12 August 2013



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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**  
**Of**  
**SAW DX LIMITED**

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(Adopted by written resolution passed on *12 August* 2013)

*John Beckett*

Company Number: SC444739

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

SAW DX LIMITED

1. INTERPRETATION

In these Articles the undernoted expressions shall have the meanings set opposite them below:

<b>Academic Shareholder</b>	means Professor Jonathan Cooper;
<b>Act</b>	the Companies Act 2006 including any statutory modification or re-enactment for the time being in force;
<b>Articles</b>	means these Articles of Association as amended from time to time;
<b>Associate</b>	has the meaning attributed to it in Section 1260 of the Act but is deemed to include for the purposes of these Articles in relation to any individual member, any body corporate in which that individual or his Associates holds a Controlling Interest or any Privileged Relation of that member;
<b>Auditors</b>	means the auditors of the Company from time to time;
<b>Board</b>	the board of Directors from time to time;
<b>Compulsory Employee Transfer</b>	shall have the meaning ascribed to it in Article 10.16;
<b>Controlling Interest</b>	an interest in shares in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company;
<b>Deemed Transfer Notice</b>	shall have the meaning ascribed to it in Article 10.14;
<b>Directors</b>	the directors of the Company from time to time, or a quorum of the Directors present at a meeting of the Directors and

	<b>Director</b> shall mean any one of them;
<b>Drag-Along Option</b>	shall have the meaning ascribed to it in Article 12.1;
<b>Drag-Along Notice</b>	shall have the meaning ascribed to it in Article 12.2;
<b>Employee Member</b>	any employee of or consultant to the Company who receives shares in the Company under any employee share option scheme which term shall exclude any member who was a member as at the date of adoption of these Articles (in respect of those shares held by him at such date or subsequently acquired pursuant to Article 10);
<b>Employee Trust</b>	any trust established by the Company to acquire and hold shares for the benefit of employees and/or ex-employees of the Group and/or their dependants;
<b>Exempt Issue</b>	the issue of Ordinary Shares pursuant to the exercise of options granted under an employee share option scheme;
<b>Expert</b>	<i>an independent person (acting as an expert and not as an arbiter or arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants of Scotland);</i>
<b>Fair Value</b>	shall have the meaning ascribed to it in Article 10.2 in respect of a transfer pursuant to Article 10;
<b>Family Trust</b>	as regards any particular individual Shareholder or deceased or former individual Shareholder, means a trust (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the Ordinary 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 an Ordinary Share if such Ordinary 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 trust or in consequence of an exercise of a power or discretion conferred thereby on any person or person;

**Good Leaver**

any Employee Member (other than a person who has been declared bankrupt or sequestrated) who ceases to be a director and/or employee or consultant: (i) as a result of death, illness (including mental illness), permanent disability, permanent incapacity through ill health; or (ii) as a result of wrongful dismissal; or (iii) in circumstances where he has been dismissed from employment and such dismissal is found to have been unfair by any industrial tribunal or any appellate body thereof;

**Group**

means any company which is a subsidiary of a Shareholder, a subsidiary company of a subsidiary of a Shareholder, a Shareholders holding company or any subsidiary of that holding Company;

**Holdings**

GU Holdings Limited, a company incorporated in Scotland under the Companies Acts with company number SC176354 and having its registered office at No. 11 The Square, University Avenue, Glasgow G12 8QQ;

**IPG**

means IP2IPO Limited, a company registered in England and Wales with registered number 04072979 having its registered office at 24 Cornhill, London, EC3V 3ND

**IP Group**

means the group of companies consisting of IPG, any company which is its subsidiary, any subsidiary company of its subsidiaries, its holding company or any subsidiary of that holding company;

**IP Group Employees Trust**

means any trust established by IP Group or any member of the IP Group to acquire and hold Ordinary Shares for the benefit of

employees and/or ex-employees of the IP Group and/or their dependants;

**iteration** shall have the meaning ascribed to it in Article 10.7;

**Model Articles** means the model articles for private 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;

**Observer** means those persons appointed as Observers to the Board pursuant to Article 8.6;

**Ordinary Shares** the ordinary shares of £0.01 each in the capital of the Company and all rights convertible into such Ordinary Shares;

**Qualifying Party** means each of:

- a) Professor Cooper, if and for so long as he holds not less than 10 per cent. of the Company's issued Ordinary Shares;
- b) Holdings, if and for so long as Holdings holds not less than 10 per cent. of the Company's issued Ordinary Shares; and
- c) IP2IPO, if and for so long as IP2IPO holds not less than 10 per cent. of the Company's issued Ordinary Shares,

PROVIDED THAT no Qualifying Party shall cease to be a Qualifying Party by virtue only of a transfer of Ordinary Shares in accordance with Article 10.1 for so long as such Ordinary Shares are held by such transferee;

**Privileged Relation** means in relation to a Shareholder, who is an individual, the spouse, widow or widower of such member and a members children or grandchildren, including adopted or step-children;

**Sale Price** shall, except where a Deemed Transfer Notice has been served when Article 10.16 will apply, have the meaning ascribed to it in Article 10.2;

<b>Sale Shares</b>	shall have the meaning ascribed to it in Article 10.2;
<b>Shareholders</b>	the holders of the Ordinary Shares at the relevant time and Shareholder shall mean any of them;
<b>Shareholders Agreement</b>	the agreement among <i>inter alia</i> the Company and certain of the shareholders of the Company at the date of adoption of this Agreement executed by the Company following the adoption of these Articles;
<b>Termination Date</b>	<ul style="list-style-type: none"> <li>• where employment or consultancy ceases by virtue of notice given by the employer to the employee or consultant, the date on which such notice expires;</li> <li>• where a contract of employment or consultancy is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;</li> <li>• where the member concerned is a director but not an employee and/or a consultant, the earlier of the date upon which he ceases to be a director of all Group Companies and the date upon which any contract for the provision of his services with or to the Company is terminated; and</li> <li>• in any other case, the date on which the contract of employment or consultancy is terminated</li> </ul>
<b>Total Transfer Provision</b>	shall have the meaning ascribed to it in Article 10.2;
<b>Transfer Notice</b>	shall have the meaning ascribed to it in Article 10.2;
<b>University</b>	means The University Court of the University of Glasgow, incorporated under the Universities (Scotland) Act 1889 and having its principal office at University Avenue, Glasgow G12 8QQ a registered Scottish charity in terms of section 13(2) of the Charities and Trustee Investment (Scotland) Act 2005 (Charity number SC004401, Charity Name "University of Glasgow Court";
<b>University Group</b>	the University together with any company which, if the

University were a company, would be a subsidiary thereof; and

**Vendor**

shall have the meaning ascribed to it in Article 10.2.

- 1.1 The Model Articles shall apply to the Company save in so far as they are excluded or varied hereby.
- 1.12 Articles 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.13 Article 7 of the Model Articles shall be amended by:
  - (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
  - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1.14 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.15 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.16 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name".
- 1.17 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. LIABILITY OF SHAREHOLDERS**

The liability of Shareholders is limited to the amount, if any, unpaid on the Ordinary Shares held by them.

**3. INCOME**

**3.1 Dividend**

The profits of the Company available for distribution and which the Directors determine to distribute in any financial year shall be applied in paying to the holders of the Ordinary Shares (pro rata according to the amounts paid up or credited as paid up on the Ordinary Shares held by them respectively) such amount by way of dividend as the Directors may determine.



### 3.2 Capital

On a return of assets on liquidation, reduction of capital or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares pro rata according to the amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

## 4. ISSUE OF SHARES

4.1 Subject to the provisions of the Act and Article 4.2, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise the power of the Company to offer or allot, grant rights, options or warrants to subscribe for or otherwise deal in or dispose of any Ordinary Shares in the Company to any person, at such times, and on such terms as the Directors think proper as if section 561 of the Act did not apply to the Company.

4.2 Save with the prior written consent of the holders of all of the Ordinary Shares then in issue, any shares to be issued (excepting shares to be issued (i) pursuant to an Exempt Issue; or (ii) as consideration for the purchase of the shares or assets of another company) (**New Shares**) shall not be allotted to any person unless the Company has, in the first instance, offered such New Shares to all Shareholders of the Company on the same terms and at the same price as such New Shares are being offered to such other person on a *pari passu* and pro rata basis to the number of Ordinary Shares held by such persons on the terms that in the case of competition the New Shares shall be allotted to the acceptors of any such offer in proportion (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) to their existing holdings of Ordinary Shares. Such offer(s):

4.2.1 shall stipulate a time, being not less than 7 days nor more than 21 days, within which it must be accepted or in default will lapse; and

4.2.2 may stipulate that any Shareholders who desire to subscribe for a number of New Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess New Shares they wish to subscribe for and any shares not accepted by other Shareholders shall be used for satisfying such requests for excess New Shares at each stage pro rata to the number of existing shares held by such Shareholders at the time of such acceptance making such requests and thereafter, any excess New Shares shall be offered to any other person at the same price and on the same terms as the offer to Shareholders.

4.3 Any New Shares shall rank *pari passu* with existing shares in the same class then in issue.

## **5. GENERAL MEETINGS AND RESOLUTIONS**

- 5.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business. All business shall be deemed special that is transacted at any general meeting of the Company, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.
- 5.2 Every notice convening a general meeting shall comply with the provisions of Section 325 of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.
- 5.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefore such adjourned general meeting shall be dissolved.

## **6. VOTING**

- 6.1 The Ordinary Shares shall carry one vote per share. On a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative shall have one vote for every share in the capital of the Company of which he is the holder.
- 6.2 A poll may be demanded at any general meeting by any qualifying person (as designated by Section 318 of the Act) present and entitled to vote at the meeting and Article 44 of the Model Articles shall be modified accordingly.

## **7. LIEN**

The Company shall have a first and paramount lien on all shares standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company.

## **8. DIRECTORS AND OBSERVERS**

- 8.1 Unless otherwise determined by ordinary resolution of the Company the number of Directors (other than alternate Directors) shall not be subject to any maximum and the minimum number of Directors

shall be three.

8.2 Other than any appointment of a Director pursuant to Article 8.5 hereof, no person shall be appointed a Director at any general meeting unless either:

8.2.1 he is recommended by the Directors; or

8.2.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, a notice executed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.

8.3 Subject to Article 8.2 above, the Company may by Ordinary Resolution (i) appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director and (ii) notwithstanding the provisions of Section 168 of the Act remove any Director (other than a Director appointed pursuant to Article 8.5) without any requirement for **Special Notice** (as defined in Section 312 of the Act).

8.4 The Directors may appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director with the prior written consent of each Qualifying Party. Any Director (other than a Director appointed pursuant to Article 8.5) may be removed from office by resolution in writing of all of the other Directors.

8.5 Notwithstanding any limitation on the number of Directors imposed by these Articles and subject to the terms of the Shareholders Agreement, each Qualifying Party shall be entitled to appoint as a Director of the Company any one person and to remove from office any person so appointed and to appoint another person in his place. Any appointment or removal in terms of this paragraph shall be effected by notice in writing signed by the relevant Qualifying Party and delivered to the registered office of the Company. No Director appointed in terms of this Article shall be required to hold any share qualification and the remuneration to be paid to him shall be payable by the Company and shall be such sum as shall for the time being be agreed for that purpose between the Company and him or failing such agreement such reasonable sum as shall be fixed by the appointing Shareholder and agreed by the Board. Upon request by such Shareholder the Company shall also procure that a Director appointed in terms of this paragraph be appointed a director to any subsidiary of the Company. The Director appointed by Holdings (if any) pursuant to this Article 8.5 shall act as Chairman of the Board. The Chairman shall have a casting vote.

8.6 Each of Holdings, the Academic Shareholder, IPG and the University shall be entitled to appoint an observer (an **Observer**) and, in each case, the identity of such person is to be notified to the Company by the relevant appointer from time to time. For the avoidance of doubt Holdings and IPG may appoint an Observer where it has exercised its right to appoint a Director. The right of the Academic

Shareholder to appoint an Observer shall only be effective where he has not exercised his right to appoint a Director. Such Observers shall be entitled to receive notice of and papers relating to all Board meetings and any meetings of committees appointed by the Board at the same time as these are sent to the Board or the committee (as applicable), and attend all meetings of the Board or the committee (as applicable) and shall have the right to speak and be heard but not to vote at any such meetings.

**9. ALTERNATE DIRECTORS**

- 9.1 Any Director appointed pursuant to Article 8.5 (other than an alternate director) may appoint any other Director or any other person willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.
- 9.2 An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 9.3 A Director may act as an alternate director to represent more than one Director, and an alternate director shall be entitled at any meeting of the Directors or of any committee of the Directors 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.

**10. TRANSFER OF SHARES**

- 10.1 Notwithstanding any other provisions of these Articles a transfer of Ordinary Shares in the Company held:
- 10.1.1 by any Shareholder, being a body corporate, may be made between that Shareholder and any other member of that Shareholder's Group without restriction as to price or otherwise and the Directors shall register any such transfer;
- 10.1.2 by any Shareholder, being an individual, (or a person entitled to shares in consequence of the death or bankruptcy or sequestration of any member) may (subject as hereinafter provided) be made, in whole or in part, to a Privileged Relation of such Shareholder;
- 10.1.3 by any Shareholder holding Ordinary Shares as bare nominee, may be made to any person or persons provided that the transferor and transferee certifies to the Company, and the Directors are so satisfied, that no beneficial interest in Ordinary Shares has passed by reason of the transfer;

- 10.1.4 in the name or names of the trustees of a Family Trust, may be made to a beneficiary of that trust or to the former Shareholder whose Family Trust it is or to any of his Privileged Relations or to another Family Trust of which that Shareholder is the settlor;
- 10.1.5 in the name or names of trustees of a Family Trust, may be made to new or continuing trustees of that Family Trust;
- 10.1.6 by IP Group, may be made to the trustees of an IP Group Employees Trust or by the trustees of an IP Group Employees Trust to or from any director or employee of any member of the IP Group or to any other member of the IP Group as nominee or trustee for an employee of the IP Group or by such nominee or trustee to an employee or ex-employee of the IP Group; or
- 10.1.7 by the University, may be made to GU Holdings and vice versa.
- 10.2 Save as otherwise provided in this Article 10 and transfers of Ordinary Shares in accordance with Articles 11 and 12, every member who desires to transfer any shares (the **Vendor**) shall give to the Company notice in writing of such desire (**Transfer Notice**). Subject as hereinafter mentioned a Transfer Notice or Deemed Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein (the **Sale Shares**) in one or more lots at the discretion of the Directors (other than the Vendor) at the Sale Price. The sale price (**Sale Price**) shall, save where a Deemed Transfer Notice has been served whereby Article 10.16 will apply, be the price agreed by the Vendor and the Directors or, if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given, the price which an Expert shall certify in writing to be in his opinion a fair value thereof on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction (hereinafter referred to in this Article 10 as the **Fair Value**) and his decision as to the Sale Price shall be final and binding. Save for shares sold pursuant to a Deemed Transfer Notice, the Transfer Notice may contain a provision (**Total Transfer Provision**) that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold and any such provision shall be binding on the Company.
- 10.3 If an Expert is asked to certify the fair value as aforesaid his certificate shall be delivered to the Company and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor. Save for shares sold pursuant to a Deemed Transfer Notice, the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Vendor shall give notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

- 10.4 Upon the price being fixed as aforesaid and provided the Vendor has not given a valid notice of cancellation, the Company shall forthwith offer the Sale Shares for sale as set out below.
- 10.5 Any shares being sold by reason of a Compulsory Employee Transfer may (at the discretion of the Board) be offered to an Employee Trust and/or (if the Company is legally able to purchase such shares) to the Company within 14 days of the Sale Price being determined. Any shares not sold under this Article 10.5 within 14 days of such offer will be available for sale to the members of the Company as set out below.
- 10.6 As soon as the Sale Shares become available they shall forthwith be offered to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing number of Ordinary Shares held by such members giving details of (i) the number and the Sale Price of such Sale Shares and (ii) whether the Sale Shares are subject to a Total Transfer Provision and (iii) the method of allocation of the Sale Shares. The Company shall invite each such member as aforesaid to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum thereof which he is willing to purchase and such invitation will set the basis of allocation of the Sale Shares. The Sale Shares shall be allocated in accordance with Article 10.7.
- 10.7 If the total number of Sale Shares applied for by the members is equal to or less than the number of Sale Shares available the Sale Shares shall be allocated in satisfaction of the applications received. If the total number of Sale Shares applied for is more than the number of Sale Shares available, the Directors shall allocate Sale Shares in satisfaction of each member's application for Sale Shares in accordance with the following formula. This formula shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated. Each application of the formula is herein referred to as an **iteration**.

$$A = \frac{B \times D}{C}$$

Where:

A is the number of Sale Shares to be allocated to the relevant member in the iteration.

B is the number of Ordinary Shares held by the member

C is the number of Ordinary Shares held by all members to whom the iteration is being applied.

D is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations.

If, in any iteration, a member would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member. That member will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration.

- 10.8 The Company shall notify the Vendor and each member who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed.
- 10.9 If the Company shall pursuant to the above provisions of this Article 10 find a member or members of the Company willing to purchase all or (in the event of a Transfer Notice which does not contain a Total Transfer Provision) any of the Sale Shares, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor shall make default in so doing he shall be deemed to have irrevocably appointed any person nominated for the purpose by the Directors to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (to be held by the Company on trust for the Vendor without interest until such Vendor has delivered his share certificate(s) or an appropriate indemnity in respect of any lost certificate to the Company) of the purchase monies or any other consideration payable for the Sale Shares deliver such transfer(s) to the purchaser(s) and the Directors shall forthwith register the purchaser(s) as the holder thereof and, after the purchaser(s) has/have been registered as the holder(s), the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of Sale Shares under this sub-article that no share certificate has been produced.
- 10.10 If the Directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article, the Vendor shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person (subject to that person first being approved by the Board) at a price being no less than the Sale Price. If the Sale Shares were the subject of a Total Transfer Provision, such a sale may only be of all the Sale Shares and not part only.
- 10.11 The foregoing provisions of this Article 10 shall not apply to a transfer if the holders of all of the Ordinary Shares so direct in writing and the Directors shall be obliged to register any such transfer.
- 10.12 Where any member purports to transfer any shares other than in accordance with these Articles without giving a Transfer Notice to the Company, such transfer shall be void and ineffectual and the Board may elect at its sole discretion that a Transfer Notice shall be deemed to have been given to the Company in respect of such shares, and, in these circumstances, such Transfer Notice shall:

- 10.12.1 be deemed to apply to the number and class of shares purported to have been transferred;
  - 10.12.2 entitle the Company to require delivery to it of the certificate for the shares purported to have been transferred and where the context admits, references in these Articles to a Vendor shall include a member deemed to have served a Transfer Notice.
- 10.13 Unless otherwise provided in these Articles, the Directors shall be obliged to register a transfer made in accordance with these Articles.
- 10.14 The transferor of an Ordinary Share shall be deemed to remain the holder of an Ordinary Share until the name of the transferee is entered in the Register of Members in respect thereof.

#### **Employee Members**

- 10.15 Unless the Board, Holdings, IPG and the Academic Shareholder agree otherwise in writing, if an Employee Member (other than any Employee Member who is an employee, consultant, officer, or director of, Holdings or IPG) ceases to be a director, consultant or employee of the Company or any member of its group (**Group Company**) and does not forthwith become or continue to be a director, a consultant or an employee, as the case may be, of another Group Company for any reason (including death), a Transfer Notice shall be deemed to have been served (a **Deemed Transfer Notice**) on the relevant Termination Date, in respect of all Ordinary Shares held by him or shares in the Company acquired by him or his Associates under any employee share option scheme or other arrangement which was made prior to the Termination Date (and in this case the Transfer Notice will be deemed served on the date that such shares are acquired by him or his Associates pursuant to such scheme or arrangement) and until such shares shall have been transferred in accordance with these Articles to another party by or on behalf of such Employee Member they shall not entitle the holder thereof to receive notice of, attend or vote, whether in person or by proxy, at any general meeting of the Company.
- 10.16 Any transfer of shares pursuant to Article 10.15 shall be referred to as a **Compulsory Employee Transfer**. In the case of a Compulsory Employee Transfer pursuant to Article 10.15 where the Employee Member is a Good Leaver, the Sale Price applicable to the relevant shares shall be the Sale Price that would have applied in accordance with Article 10.2 had the shares been the subject of a Transfer Notice on the Termination Date. In the event that a Deemed Transfer Notice has been served (or deemed to be served) by an Employee Member pursuant to these Articles where that Employee Member is not a Good Leaver, the Sale Price shall be the amount subscribed (or its cash equivalent) for the Sale Shares.
- 10.17 To the extent that, pursuant to Article 10.15, the Board, the Academic Shareholder, IPG and Holdings agree that, notwithstanding that an Employee Member has ceased to be a director, consultant or



employee of the Company or any member of its group (and such cessation shall hereafter be referred to as the **Cessation Event**), the relevant Shareholder shall not be deemed to have served a Deemed Transfer Notice under Article 10.15 with the effect that he shall remain a Shareholder following the Cessation Event, then, unless the Board, Holdings, IPG and the Academic Shareholder further agree otherwise, all Ordinary Shares held by that Shareholder and any Privileged Relations and/or any Family Trust of such Shareholder shall, until such Ordinary Shares are transferred to any other person (other than any such person as aforesaid) in accordance with these Articles, carry no right to receive notice of, attend or vote, whether in person or by proxy, at any general meeting of the Company.

## 11. TAG ALONG

11.1 A member or members proposing to transfer 75% or more of the Ordinary Shares, except in accordance with Article 10 or Article 12 or with the consent of all the members, (the **Selling Member**) may accept a good faith offer (the **Offer**) from any person, whether or not an existing member, (the **Proposed Purchaser**) for the purchase of the entire legal and beneficial interest in any Ordinary Shares owned by him or them in the Company (the **Specified Shares**) for a consideration payable in cash in full on completion of any sale (or with a cash alternative payable in full on completion of any sale) and otherwise on arms' length terms, conditional upon the terms of this Article 11 being complied with in all respects.

11.2 The Selling Member may complete a sale and purchase under the Offer if:

11.2.1 the Proposed Purchaser, together with any Connected Person or any person with whom such Proposed Purchaser is acting in concert (such expression having the same meaning as given in the City Code on Takeovers and Mergers or any successor code having statutory authority), would, after completion of the purchase under the Offer hold a Controlling Interest

11.2.2 the Selling Member sends a notice within 7 days of accepting the Offer notifying all other members (the **Remaining Members**) of the main terms of the Offer and that it has contracted to accept the Offer as permitted by this Article 11;

11.2.3 the Proposed Purchaser has made a binding written offer to the Remaining Members at the Specified Price and on terms that are not worse than those in the Offer and that is kept open to Remaining Members for at least 30 days from delivery of the notice pursuant to Article 11.2.2; and

11.2.4 the 30 day period referred to in Article 11.2.3 has elapsed or all Remaining Members have accepted or completed the offer made to them.

11.3 For the purpose of this Article 11 only:

- 11.3.1 the expression **the Specified Price** shall mean a price per Ordinary Share at least equal to that offered or payable by the Proposed Purchaser for the Specified Shares to the holder or holders thereof plus an amount in cash equal to the relevant proportion of any other consideration received or receivable by the holder or holders of the Specified Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as in addition to the price payable for the Specified Shares;
- 11.3.2 if any part of the Specified Price is payable otherwise than in cash, a Remaining Member may require as a condition of his acceptance of the Offer, to receive in cash on transfer all or any of the price offered for his Ordinary Shares;
- 11.3.3 in the event of disagreement as to the calculation of the Specified Price or its cash equivalent within 10 days from receipt by the Remaining Shareholders of the offer pursuant to Article 11.2.3 between the Proposed Purchaser and the Remaining Members holding more than 75% of the Shares concerned (excluding the Proposed Purchaser and any Connected Person or person acting in concert with him) (the **Disputing Members**), any such disagreement may be referred by any Disputing Member to the Auditors, other than where the Auditors decline an instruction to report on the Specified Price, in which case such disagreement shall be referred to an independent firm of chartered accountants (in each case acting as expert and not as arbiter) agreed between the Disputing Members and the Board and failing agreement between the parties by appointment of the Chairman of the Institute of Chartered Accountants in Scotland whose decision shall be final and binding in the absence of manifest error. The cost of such expert shall be borne as he shall direct or, in default of such a direction, equally by the Disputing Members and the Selling Member.
- 11.4 The provisions of this Article 11 shall not apply where a Drag-Along Notice has been served.
- 11.5 The rights of pre-emption set out in Article 10 of these Articles shall not arise on any transfers of Ordinary Shares to a Proposed Purchaser (or as he may direct) pursuant to this Article 11.
12. **DRAG ALONG**
- 12.1 If at any time the holders of in excess of 75 per cent of the issued Ordinary Shares wish to transfer their entire holdings of Ordinary Shares to a bona fide third party prospective purchaser (such holders of Ordinary Shares being hereafter referred to as the **Selling Shareholders** and the prospective third party purchaser being hereafter referred to as the **Acquirer**), such Selling Shareholders or, after the transfer by them of their Ordinary Shares to the Acquirer, the Acquirer, shall have the option (the **Drag Along Option**) to require all the other holders of Shares (the **Called Shareholders**) to transfer all their Ordinary Shares to the Acquirer or as the Acquirer shall direct in accordance with this Article 12.

- 12.2 Subject as aforesaid, the Selling Shareholders or the Acquirer may exercise the Drag Along Option by giving written notice to that effect (a **Drag Along Notice**) to all the Called Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Ordinary Shares (the **Called Shares**) pursuant to this Article 12, the price at which the Called Shares are to be transferred calculated in accordance with Article 12.4 and the proposed date of transfer.
- 12.3 Once served, a Drag Along Notice shall be irrevocable.
- 12.4 The Called Shareholders shall be obliged to sell their Called Shares at the Called Share Sale Price (defined below). In the event of a disagreement as to the value of the Called Share Sale Price, the matter shall be referred to a suitably qualified independent third party (acting as expert and not as arbitrator) nominated by the Called Shareholders or the Selling Shareholders (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in Scotland on application by any such party) whose decision shall be final and binding (in the absence of manifest error) and the cost of such expert shall be borne as he shall direct or, in default of such a direction, equally by the parties to the dispute or disagreement.
- 12.5 For the purposes of this Article 12, **Called Share Sale Price** means the amount that each Called Shareholder is to receive for each of their Called Shares, such amount to be equal to the aggregate of (i) the consideration to be paid by the prospective purchaser referred to in Article 12.1 for each of the Selling Shareholders (whether in cash, securities or otherwise or in any combination), and (ii) (if relevant) an amount equal to the relevant proportion of any other consideration received or receivable by the Selling Shareholders for each Ordinary Share of their Ordinary Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as additional consideration above the amount referred to in section (i) of this definition.
- 12.6 Completion of the sale of the Called Shares shall take place at the Company's registered office on the same date as the date proposed for completion of the sale of the Selling Shareholders' Ordinary Shares unless:-
- 12.6.1 all of the Called Shareholders and Selling Shareholders agree otherwise;
- 12.6.2 that date is less than 10 days after receipt of the Drag Along Notice by the Called Shareholders, where it shall be deferred until the tenth day after the date of receipt of the Drag Along Notice; or
- 12.6.3 the consideration is to be determined under Article 12.4 where the date shall be deferred until the tenth day after the consideration is agreed or determined unless the Called Shareholders and the Selling Shareholders agree in writing on an earlier date.

- 12.7 If any Called Shareholder makes default in complying with his obligations under Article 12.4 or this Article 12.7, the relevant Called Shareholder shall be deemed to authorise the Directors of the Company to execute such documents on its behalf to effect the sale of the relevant Called Shares pursuant thereto, and Article 10.9 shall apply mutatis mutandis for these purposes.
- 12.8 On any person, following the issue of a Drag Along Notice, becoming a Member pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all Ordinary Shares so acquired to the Acquirer or as the Acquirer may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Ordinary Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.
- 12.9 The rights of pre-emption set out in Article 10 of these Articles shall not arise on any transfer of Shares to an Acquirer (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.

### 13. **DISQUALIFICATION OF DIRECTORS**

The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs, and Article 18 of the Model Article shall be modified accordingly.

### 14. **PROCEEDINGS OF DIRECTORS**

- 14.1 Meetings of the Directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the Directors had met in person.
- 14.2 Any questions arising at a meeting of the Directors of the Company shall be decided unanimously. The Chairman shall not have a casting vote.
- 14.3 Where a Director or Directors have been appointed pursuant to Article 8.5, no meeting of the Directors shall be quorate unless at least one Director appointed by each Qualifying Party pursuant to Article 8.5 (or his alternate) are present unless agreed otherwise in writing in any particular case and the provisions of Article 11 (2) of the Model Articles shall be amended accordingly. If any meeting of the Board shall be inquorate by reason of the non-attendance of a Director appointed by a Qualifying Party, save where it has been agreed that the meeting shall be quorate notwithstanding such non-attendance, such meeting shall be adjourned to be reconvened one week from the date of the original meeting or at such other day or at such other time or place as all of the Directors shall determine where a quorum

shall be any one Director. The other Directors must be notified of the details of the adjourned meeting in writing. Notwithstanding the foregoing generality, the quorum for the transaction of the business of the directors shall be three. The words "may be fixed by the directors and unless so fixed at any other number" which appear in Article 11 (2) of the Model Articles shall not apply to the Company.

## 15. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:

- 15.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
- 15.2 shall be an eligible Director for the purposes of any proposed decision of the Directors (or committee of Directors) in respect of such contract or proposed contract in which he is interested;
- 15.3 shall be entitled to vote at a meeting of Directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 15.4 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;
- 15.5 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
- 15.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or any of his Associates) 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.

## 16. **DIRECTORS' CONFLICTS OF INTEREST**

- 16.1 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 (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

16.2 Any authorisation under this Article 16 will be effective only if:

- 16.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration 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;
- 16.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 16.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

16.3 Any authorisation of a Conflict under this Article 16 may (whether at the time of giving the authorisation or subsequently):

- 16.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 16.3.2 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;
- 16.3.3 provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict;
- 16.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- 16.3.5 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 of the company) 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
- 16.3.6 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.

16.4 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 directors in relation to the Conflict.

- 16.5 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.
- 16.6 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:
- (a) disclose such information to the Directors or to any Director or other officer or employee of the Company; or
  - (b) 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.
- 16.7 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.
- 16.8 In relation to any Director appointed by Holdings, any conflict of interest, arising by reason of his being a member, director, officer, employee, partner or consultant of Holdings or in any entity connected with Holdings or in consequence of that position, is authorised and such Director shall not be in breach of his duty to avoid a conflict of interest by reason of any such matter.
- 16.9 In fulfilling his office, any Director appointed by Holdings, is authorised to consider and take into account the interest of Holdings and shall not be in breach of his duty to exercise independent judgement by reason of doing so.
- 16.10 In relation to any Director appointed by IPG, any conflict of interest, arising by reason of his being a member, director, officer, employee, partner or consultant of IPG or in any entity connected with IPG or in consequence of that position, is authorised and such Director shall not be in breach of his duty to avoid a conflict of interest by reason of any such matter.
- 16.11 In fulfilling his office, any Director appointed by IPG, is authorised to consider and take into account the interest of IPG and shall not be in breach of his duty to exercise independent judgement by reason of doing so.

**17. CHANGE OF NAME**

Subject to the Articles, the name of the Company may be changed by a decision taken by the Directors.

**18. BORROWING POWERS**

Subject as hereinafter provided, the Directors may exercise all the powers of the Company (whether express or implied):

18.1 of borrowing or securing the payment of money;

18.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and

18.3 of mortgaging or charging the property assets and uncalled capital of the Company and (subject to Section 550 of the Act) issuing debentures, debenture stock and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

**19. MEANS OF COMMUNICATION TO BE USED**

19.1 Subject to the Articles, anything sent or supplied by or to the Company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of that act to be sent or supplied by or to the Company.

19.2 Subject to the Articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

19.3 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

**20. ADDRESSES AND OTHER CONTACT DETAILS**

20.1 Anything sent to a Shareholder under the Articles may be sent to that Shareholder's address as registered in the register of members, unless:

20.1.1 the Shareholder and the Company have agreed that another means of communication is to be used; and



- 20.1.2 the Shareholder has supplied the Company with the information it needs in order to be able to use that other means of communication.
- 20.2 Any notice or document sent to a Director may be sent to that Director's address as registered in the register of directors, unless:
  - 20.2.1 the Director and the Company have agreed that another means of communication is to be used; and
  - 20.2.2 the Director has supplied the Company with the information it needs in order to be able to use that other means of communication.

## 21. INDEMNITY

- 21.1 Subject to, and to the extent not prohibited by, the Act but without prejudice to any indemnity to which he may otherwise be entitled:
  - 21.1.1 any person who is or was at any time a Director, secretary or other officer (unless the office is or was as Auditor) of the Company or of any of its Group undertakings may be indemnified out of the assets of the Company to whatever extent the Directors may determine against any costs, charges, expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office, whether or not sustained or incurred in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or the relevant group undertaking;
  - 21.1.2 the Directors shall have power to provide funds to meet any expenditure incurred or to be incurred by any person who is or was at any time a Director, secretary or other officer of the Company other than an auditor in defending any criminal or civil proceeding in which he is involved by reason of his office, or in connection with any application under the Act, or in order to enable him to avoid incurring such expenditure; and
  - 21.1.3 every Auditor of the Company may be indemnified out of the assets of the Company to whatever extent the Directors may determine against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the Company.

- 21.2 The Company may purchase and maintain insurance against any liability falling upon its Directors or other officers or Auditors which arises out of the proper execution of their respective duties to the Company or in relation thereto.