

Company number: 3585995

THE COMPANIES ACT 1985-1989
ORDINARY AND SPECIAL RESOLUTIONS
of

PARADIGM THERAPEUTICS LIMITED
(the "Company")

Passed on 6 July 2006



At an extraordinary general meeting of the company, duly convened and held at 418 Cambridge Science Park, Milton Road, Cambridge CB4 0PH on 6 July 2006 at 11:00 am the following resolutions were duly passed by the company as an ordinary and special resolution as indicated:

CONDITIONAL UPON and with effect immediately prior to First Completion (as defined in the investment agreement between Biomedical Sciences Investment Fund PTE Limited, Merlin Biosciences Fund L.P., Avlar Bioventures Fund I Limited Partnership, the Company and others relating to the subscription of D ordinary shares in the capital of the Company):

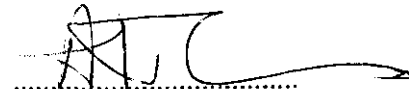
ORDINARY RESOLUTIONS

1. That the 118,127 issued and unissued preference shares of £0.10 each in the capital of the Company be re-designated as 118,127 B Ordinary Shares of £0.10 each, such shares having the rights and being subject to the restrictions set out in the articles of association adopted in Resolution 3 below.
2. That the authorised share capital of the Company be increased from £1,880,398.40 to £2,353,371.20 by the creation of 4,729,728 D Ordinary Shares of £0.10 each, such shares having the rights and being subject to the restrictions set out in the articles of association adopted in Resolution 3 below.

SPECIAL RESOLUTIONS

3. That the articles of association contained in the document attached to this notice be adopted as the new articles of association of the Company in substitution for the existing articles of association.
4. That, subject to the passing of Resolution 3 above, the Company be generally and unconditionally authorised in accordance with the articles of association of the Company and generally to make off-market purchases (within the meaning of section 163(1) of the Companies Act 1985) of all issued Deferred Shares (being 38,500 Deferred Shares) (from the proceeds of fresh issue of shares issued for that purpose) pursuant to the terms of a draft purchase agreement produced to the meeting and initialled by the Chairman for the purposes of identification (and a copy of which has been available at the Company's registered office for at least 15 days prior to the date of this meeting) (the "Agreement") the terms of which Agreement are hereby approved

for the purposes of section 164 of the Companies Act 1985 and generally. The authority hereby conferred shall expire on the earlier of 18 months from the date of this Notice or the close of the next annual general meeting of the Company.

A handwritten signature in black ink, appearing to be 'ATC', written over a horizontal dotted line.

Chairman

PRESENTED BY :
Taylor Wessing
2nd Floor, 24 Hills Road,
Cambridge, CB2 1JP
Tel: 01223 446400
Ref: SCS/DXM

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

NEW ARTICLES OF ASSOCIATION

of

PARADIGM THERAPEUTICS LIMITED

(adopted by Special Resolution on 6 July 2006)

1. PRELIMINARY

- 1.1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of the Adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company, but only insofar as these Articles do not exclude or modify Table A. A reference herein to any "Regulation" is to that regulation as set out in Table A- Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

- 1.2 In these Articles the following words and expressions shall have the meaning set out below:

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| the Act | the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force |
| ABFI | Avlar BioVentures Fund I Limited Partnership |
| ABFII | Avlar BioVentures Fund II Limited Partnership |
| Adoption | the date of the passing of the Special Resolution approving the adoption of these Articles |

| | |
|-------------------|--|
| Affiliate | any company, partnership or other legal entity or person which directly or indirectly Controls, is Controlled by and/or is a Subsidiary of, or is under the common Control of any other company, partnership or other legal entity or person |
| Arrears | in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, whether or not earned or declared and irrespective of whether or not the Company has had at any time sufficient distributable profits to pay such dividend together with all interest and other amounts payable thereon |
| Auditors | the auditors for the time being of the Company |
| Authority Amount | in the first instance as from the date of Adoption the Authority Amount shall be the amount of the authorised but unissued Share capital of the Company on the date of Adoption and for any other prescribed period shall be the amount stated in a special resolution passed by the members of the Company in general meeting increasing such Authority Amount and the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into Shares of the Company, the nominal amount of such Shares which may be allotted pursuant to such rights |
| Authority Period | in the first instance means the period as from the date of Adoption to the date on which a special resolution is passed by the members of the Company increasing the Authority Amount or the fifth anniversary of the date of Adoption, whichever is the earlier, and shall thereafter mean any period (not exceeding 5 years on any occasion) for which the authority and power conferred by articles 7.1 or 7.2 above are renewed by a resolution of the Company for such period in accordance with the Act |
| Avlar | ABFI and ABFII |
| B Ordinary Shares | B ordinary shares of 10 pence each in the capital of the Company having the rights set-out herein and as consolidated or sub-divided from time to time |
| Bad Leaver | (a) an Employee Member who ceases to be a director or employee of or consultant to the Company or any Subsidiary of the Company and does not continue as either a director or employee of or consultant to the Company or any Subsidiary of the Company where such cessation lawfully occurs for cause, such as would justify summary dismissal; and/or |

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(b) an Employee Member who ceases within a period of 2 years and six months from the date upon which he was first employed by or appointed as a director of or consultant to the Company or any Subsidiary of the Company to be a director or employee of the Company or any Subsidiary of the Company and does not continue thereafter as either a director or employee of or consultant to the Company or any Subsidiary of the Company, otherwise than as a result of (i) retirement at age not less than 65, (ii) his death, (iii) ill health on his part on recommendation of a suitably qualified medical doctor, or (iv) were the Board (including a Special Director Majority) to determine that the provisions of article 14.5 shall not apply; and/or

(c) in respect of an Employee Member who is an employee, director of or consultant to, the Company as at the date of Adoption, an Employee Member who on or prior to 30 June 2007 ceases to be a director or employee of or consultant to the Company or any Subsidiary of the Company and does not continue as or thereupon become a director or employee of or a consultant to the Company or any Subsidiary of the Company as a result of his having terminated the relevant Directorship, employment or consultancy otherwise than as a result of (i) retirement at age not less than 65, (ii) his death, (iii) ill health on his part on recommendation of a suitably qualified medical doctor, or (iv) were the Board (including a Special Director Majority) to determine that the provisions of article 14.5 shall not apply

Board

the board of directors of the Company

Business Sale

(1) the sale of the whole or substantially the whole of the business and assets of the Company and its subsidiaries; or (2) the sale of the whole or substantially the whole of the Company IPR

BMSIF

BMSIF LTD and SBI

BMSIF LTD

Biomedical Sciences Investment Fund Pte Limited

C Ordinary Shares

C ordinary shares of 10 pence each in the capital of the Company having the rights set-out herein and as consolidated or sub-divided from time to time

Capitalisation Issue

any increase in the issued share capital of the Company by way of an allotment of Shares credited as fully or partly paid pursuant to a capitalisation of profits or reserves (including any share premium account or capital redemption reserves)

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| Company IPR | all Intellectual Property Rights used by the Company and/or its subsidiaries to carry on its business and either owned or licensed to the Company and/or its subsidiaries |
| Control | <p>(i) the ownership of a Controlling Interest in; or</p> <p>(ii) the legal power to direct, or cause the direction of, the board or general management or management policies,</p> <p>in each case any company, partnership or other legal entity or person and "Controlled" shall be construed accordingly</p> |
| Controlling Interest | an interest in shares (as defined in Part I of Schedule 13 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company |
| Conversion Ratio | initially equals one, subject to any adjustment made in accordance with article 4.15 |
| D Ordinary Shares | D ordinary shares of 10 pence each in the capital of the Company having the rights set out herein and as consolidated or sub-divided from time to time |
| Deferred Shares | deferred shares of 10 pence each in the capital of the Company having the rights set out herein and as consolidated or sub-divided from time to time |
| Directors | the Directors for the time being of the Company or a quorum of such Directors present at a meeting of the Directors |
| Deemed Transfer Notice | a Transfer Notice (as defined in article 15.1) which is deemed to have been served pursuant to articles 12.4, 12.5, 14 or 20 |
| Employee Member | a member who is or has been a director and/or an employee of and/or a consultant to the Company or any Subsidiary of the Company |
| Family Trust | <p>a trust which permits the settled property or the income therefrom to be applied only for the benefit of:</p> <ul style="list-style-type: none"> - the settlor and/or a Privileged Relation (as defined in article 12.1) of that settlor; or - any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested |

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if there are no other beneficiaries from time to time except another such charity or charities);

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased member

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| Founders | Mark Carlton and Sam Aparicio |
| Good Leaver | a Leaver who is not a Bad Leaver |
| Group | the relevant company or Investor (as the case may be), any Holding Company and/or Affiliate of the relevant company or Investor (as the case may be) and/or any Affiliate of any such Holding Company, and " member of its Group " or " Group member " shall be construed accordingly |
| Holder | in relation to Shares, the member whose name is entered in the register of members of the Company as the Holder of the Shares |
| Holding Company | (i) a "holding company" as defined in the Act; (ii) any other company or corporation which, if it were incorporated under the Act, would be a "holding company" as defined within the Act; and/or (iii) any company or corporation which would be a Holding Company within the meanings given in (i) and/or (ii) above if its Subsidiaries were "subsidiaries" as defined in the Act |
| Independent Expert | means an accountant (acting as expert and not as an arbitrator) appointed by the Vendor (as defined in article 15.1) and the Company or in the absence of agreement appointed by the President for the time being of the Institute of Chartered Accountants for England and Wales |
| Intellectual Property Rights | any patent, patent application, know-how, database right, registered and/or unregistered trade mark, trade mark application, trade name, service name, business name, registered design, unregistered design right, utility model, database right, copyright or other similar intellectual or industrial property right and including for the avoidance of doubt copyright in software and computer algorithms, applications and the right to make |

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applications for any of the foregoing, extensions and renewals thereof and all rights of a similar nature, in each case anywhere in the world

Investment Agreement

the investment agreement dated on or about the date of Adoption and between the Company, its members and others relating, inter alia, to the subscription for Shares in the Company, as varied and supplemented from time to time

Investor Majority

has the meaning ascribed to such term in the Investment Agreement

Investors

has the meaning given in the Investment Agreement

Leaver

- (a) any employee or director of any member of the Company's Group who ceases or (as the case may be) will cease (through having given or been given notice) to be such an employee or director in circumstances where he does not or (as the case may be) will not continue immediately thereafter to be a Relevant Executive; and
- (b) any consultant to any member of the Company's Group who has not previously been an employee of any member of the Group and who ceases or (as the case may be) will cease (through having given or been given notice) to be a consultant in circumstances where he does not or (as the case may be) will not continue immediately thereafter to be a Relevant Executive in any capacity

Listing

the effective admission of any of the Company's Shares to trading on, or the effective granting of permission for any of the Company's Shares to be dealt on, a Recognised Investment Exchange or such other exchange or market as may be approved by an Investor Majority

Listing Price

the price at which new ordinary shares are to be issued, or existing ordinary shares are to be sold, to investors at the time of the relevant Listing

Liquidation Event

- (i) a Sale; or
- (ii) a return of assets by the Company on a liquidation or capital reduction or otherwise

Mandatory Transfer Notice

means a Transfer Notice given deemed to be given by any holder of Shares pursuant to article 14.5.7

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|--------------------------------|---|
| MBFGbR | Merlin Biosciences Fund GbR |
| MBFLP | Merlin Biosciences Fund LP |
| Merlin | MBFLP and MBFGbR |
| Ordinary Shares | ordinary shares of 10 pence each in the capital of the Company having the rights set out herein and as consolidated or sub-divided from time to time |
| Permitted Transfer | a transfer of Shares authorised by article 12 |
| Permitted Transferee | a person, firm or unincorporated association to whom or which Shares have been or may be transferred pursuant to a Permitted Transfer |
| Priority Payments | means: <ul style="list-style-type: none"> (i) the payment of advisor's fees (plus applicable VAT and disbursements) incurred by the Company and/or some or all of its shareholders, in connection with a Sale or Liquidation Event, and approved in writing as being a 'Priority Payment' by the Company and an Investor Majority (including, without limitation, legal fees and corporate finance adviser's fees); and (ii) the payment of any bonus or other incentive arrangement to certain (past or present) directors, employees and/or consultants of the Company (and/or any of its Subsidiaries) in connection with a Sale or Liquidation Event and approved in writing as being a 'Priority Payment' by the Company and an Investor Majority, |
| Priority Payment Agreement | any agreement between the Company and certain other person(s), approved in writing by an Investor Majority, and providing for the making of a Priority Payment; |
| Recognised Investment Exchange | a recognised investment exchange as defined by section 285 of the Financial Services and Markets Act 2000 (and including, without limitation, the Official List of the UK Listing Authority, NASDAQ Europe, AIM (a market operated by London Stock Exchange plc), any official list in Singapore or Asia and NASDAQ) |
| Relevant Equity Security | any share in the share capital of the Company from time to time, or any other security, agreement or instrument which contains or provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any share(s) in the capital of the Company from time to time |

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| Relevant Executive | a director or employee of, or a consultant to, the Company or any member of the Company's Group |
| Relevant Member | in relation to a particular Relevant Executive or Leaver, and unless a Special Director Majority agrees (in writing) otherwise, that Relevant Executive or Leaver and any member to whom such Relevant Executive or Leaver (or his personal representatives) has made or at the relevant time could if he held shares in the Company make a transfer pursuant to article 12 (assuming for these purposes that any restrictions on such a transfer in the Investment Agreement or relevant to Mandatory Transfer Notices do not apply) |
| Relevant Shares | any shares in the Company for the time being held by a Leaver or his Relevant Member and/or in respect of which the Leaver or a Relevant Member is unconditionally entitled to be registered as the holder and/or any shares |
| Sale | <p>(1) a Business Sale; or</p> <p>(2) a sale of the whole or any part of the issued share capital of the Company to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the Adoption) with such person holding a Controlling Interest in the Company</p> |
| Sale Price | has the meaning given in article 15.1 |
| SBI | Singapore Bio-Innovations Pte Limited |
| Securities Act | the United States of America's Securities Act of 1933 as amended |
| Service Agreement | includes any written or other contract of employment or for services |
| Shares | B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and Ordinary Shares |
| Share Option Schemes | the share option schemes operated by the Company from time to time |
| Special Director Majority | a majority in number of the Special Directors unless no Special Director holds office in which case Special Director Majority shall mean an Investor Majority |
| Special Directors | those Directors of the Company appointed pursuant to |

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Subscription Price

means in relation to shares subscribed for on or prior to the date of Adoption, or pursuant to the Investment Agreement, means: (a) in relation to B Ordinary Shares, £1.48 per share; (b) in relation to the C Ordinary Shares, £1.48 per share (c) in relation to the Ordinary Shares, £1.40 per share (d) in relation to the D Ordinary Shares, £1.48 per share and (e) in relation to any other Share, subscribed for after the date of Adoption (other than pursuant to the Investment Agreement), the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose thereafter) save that the "Subscription Price" in respect of any Ordinary Share subscribed for pursuant to any Share Option Scheme or otherwise, shall in no event be deemed to be less than £1.40 per share (unless expressly agreed in writing to the contrary (including express reference to the application of this definition) between the Company and the initial subscriber of the relevant Ordinary Share(s)). In the event of a Capitalisation Issue the Subscription Price shall be adjusted in such manner as is determined by the Auditors (acting as experts and not as arbitrators) (at the cost of the Company) to be fair and reasonable

Subsidiary

a "subsidiary" as defined in the Act and any other company or corporation which if it were incorporated under the Act would be a "subsidiary" as defined within the Act

Termination Date

- (a) where employment or consultancy ceases by virtue of notice given by the employer or party engaging such consultant (as the case may be) to the employee or consultant (as the case may be), the date on which such notice expires; or
- (b) where a contract of employment or consultancy agreement is terminated by the employer or party engaging such consultant (as the case may be) and a payment is made in lieu of notice, the date on which notice of termination was served; or
- (c) where the Employee Member concerned is a director but not an employee or consultant, the date on which his directorship is terminated; or
- (d) in any other case, the date on which the contract of employment, consultancy or directorship is otherwise terminated

2. SHARE CAPITAL

The authorised Share capital of the Company at the date of Adoption is £2,353,371.20 divided into 4,729,728 D Ordinary Shares of 10 pence each, 3,133,472 C Ordinary Shares of 10 pence each, 12,353,911 B Ordinary Shares of 10 pence each, 3,278,101 Ordinary Shares of 10 pence each and 38,500 Deferred Shares of 10 pence each.

3. DISTRIBUTION ON A LIQUIDATION EVENT

- 3.1 Subject to article 3.2, on a Liquidation Event, the assets of the Company remaining after the payment of its liabilities or the proceeds of such Sale (as the case may be) in respect of such Liquidation Event (in either case, the “**Distribution Amount**”) shall be applied in payment of any Priority Payment (in accordance with the terms of any Priority Payment Agreement) and, subject thereto, amongst the Holders of Shares (or in the case of a Sale (other than a Business Sale) amongst the Holders of Shares transferred as part of such Sale) in the following order of priority:
- 3.1.1 first, in paying to each Holder of D Ordinary Shares in respect of his/its holding of such shares, an amount per D Ordinary Share equal to the Subscription Price of such D Ordinary Shares held by such Holder multiplied by 3 (save in the case of a Sale (other than a Business Sale) such a payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.2 second, in paying to each Holder of D Ordinary Shares in respect of his/its holding of such shares, an amount equal to the accrued but unpaid dividend Arrears thereon (save that in the case of a Sale (other than Business Sale) such a payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.3 third, in paying to each Holder of C Ordinary Shares in respect of his/its holding of such shares, an amount per C Ordinary Share equal to the Subscription Price of such C Ordinary Shares held by such Holder multiplied by 2 (save in the case of a Sale (other than a Business Sale) such a payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.4 fourth, in paying to each Holder of C Ordinary Shares in respect of his/its holding of such shares, an amount equal to the accrued but unpaid dividend Arrears thereon (save that in the case of a Sale (other than Business Sale) such a payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.5 fifth, in paying to each Holder of B Ordinary Shares in respect of his/its holding of such shares, an amount per B Ordinary Share equal to the Subscription Price of such B Ordinary Shares held by such Holder multiplied by 1.2 (save that in the case of a Sale (other than a Business Sale) such payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.6 sixth, in paying to each Holder of B Ordinary Shares in respect of his/its holding of such shares, an amount equal to the accrued but unpaid dividend Arrears thereon (save that in the case of a Sale (other than a Business Sale) such payment shall only be calculated and made in respect of such shares transferred as part of such Sale);

- 3.1.7 seventh, in paying to each Holder of Ordinary Shares in respect of his/its holding of such Shares, an amount per Ordinary Share equal to the aggregate Subscription Price of such Ordinary Shares held by such Holder (save that in the case of a Sale (other than a Business Sale) such payment shall only be calculated and made in respect of such shares transferred as part of such Sale);
- 3.1.8 eighth, in paying to each Holder of Ordinary Shares in respect of his/its holding of such Shares, an amount equal to the accrued but unpaid dividend Arrears thereon (save that in the case of a Sale (other than a Business Sale) such payment shall only be calculated and made in respect of such shares transferred as part of such Sale); and
- 3.1.9 ninth, in paying the balance, if any, to the Holders of Shares pro rata to the number of Shares held by such persons.
- 3.2 For the avoidance of doubt, the Holders of B Ordinary Shares, C Ordinary Shares and/or D Ordinary Shares may exercise their respective rights to convert such Shares into Ordinary Shares pursuant to article 4 prior to any distribution pursuant to articles 3.1 and, for the avoidance of doubt, any Ordinary Shares created on such conversion shall rank *pari passu* with all existing Ordinary Shares for the purposes of this article 3.
- 3.3 The rights attaching to the Deferred Shares on any Liquidation Event shall be governed by article 28 and if article 28.4 applies, the provision of article 3.1.9 shall be read subject to article 28.4.
- 3.4 **Non-Cash Consideration**
- 3.4.1 If the Distribution Amount includes any non-cash asset/consideration ("**Non-Cash Consideration**") then, for the purposes of article 3.1, such Non-Cash Consideration shall be deemed to have a cash value equal to such amount as the Company and an Investor Majority (acting in good faith) may determine in their opinion (and in the absence of agreement within 21 days, as the auditors of the Company (acting as experts and not as arbitrators) may, at the cost of the Company, determine in their opinion) represents a reasonable estimation of the market value of such Non-Cash Consideration as at the date of such Liquidation Event, taking into account such matters, facts and circumstances as such persons (in their sole discretion) consider reasonable. In the absence of fraud or manifest error, such determination by the Company and an Investor Majority (or the auditors of the Company, as the case may be) shall be final and binding on all persons.
- 3.4.2 Where any Distribution Amount includes any Non-Cash Consideration, then the proportion of such Non-Cash Consideration to other forms of consideration to be then paid/distributed pursuant to article 3.1 (including any consideration to be then taken into account pursuant to article 3.5.1) shall be so paid/distributed in the same proportion regardless of the class of Share in respect of which such payment/distribution is made UNLESS such payment/distribution is not practicable or the Company and an Investor Majority (acting in good faith) otherwise determines to the contrary, in either which case the proportion of Non-Cash Consideration to cash consideration to be then so paid/distributed in respect of each Share shall be determined by the Company and an Investor Majority (acting in good faith) and in the absence of fraud or manifest error, such determination by the Company and an Investor Majority shall be final and binding on all persons.
- 3.5 **Deferred and/or contingent consideration**

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If the Distribution Amount includes any deferred and/or contingent asset/consideration (“**Unascertained Consideration**”) (and after having determined the deemed value of such Unascertained Consideration in accordance with article 3.4.1 if all or part of such asset/consideration is also Non-Cash Consideration) then, at the election of an Investor Majority (with the consent of the Company (and in the absence of such consent, article 3.5.2 shall apply)), either:

- 3.5.1 for the purposes of determining the Distribution Amount under article 3.1, the value of such Unascertained Consideration shall be determined to be such amount (or otherwise adjusted or calculated in such manner) as the Company and an Investor Majority (acting in good faith) may determine in their opinion (and in the absence of agreement within 7 days, as the auditors of the Company (acting as experts and not as arbitrators) may, at the cost of the Company, determine in their opinion) represents a reasonable approximation of the market value of such Unascertained Consideration as at the date of such Liquidation Event, taking into account the period by which such distribution/payment is deferred and/or the likelihood of any relevant contingencies taking place (together with such other matters, facts and circumstances as such persons (in their sole discretion) consider reasonable). In the absence of fraud or manifest error, such determination by the Company and an Investor Majority (or the auditors of the Company as the case may be) shall be final and binding on all persons; or.
- 3.5.2 for the purposes of article 3.1, exclude the potential value of any Unascertained Consideration for the purposes of calculating any distribution/payment to be made as at the date of such Liquidation Event, and if such Unascertained Consideration is subsequently distributed/paid, then as at the time of such distribution/payment re-calculate the entitlement of each (ex)Holder of Shares entitled to payment as at the date of the original Liquidation Event in accordance with article 3.1 (including the amounts previously paid/distributed plus the Unascertained Consideration to be then distributed/paid) (the “**Entitlement Amount**”) and distribute/pay such Unascertained Consideration so as to make good any short fall between the amounts previously distributed/paid out and the Entitlement Amount of each (ex)Holder of Shares entitled to payment as at the date of the original Liquidation Event.

4. **CONVERSION**

B Ordinary Shares

- 4.1 Each Holder of B Ordinary Shares may at any time convert all, or any part of, its holding of B Ordinary Shares into a number of Ordinary Shares calculated as follows:

$$\left(\frac{W \times X}{Y} \right) = Z$$

- | | | |
|---|---|---|
| W | = | the applicable Conversion Ratio (excluding for the purposes of such calculation any issue of Shares pursuant to article 4.13) |
| X | = | the aggregate nominal value of the B Ordinary Shares to be converted, |
| Y | = | the nominal value of one Ordinary Share, |
| Z | = | the number of Ordinary Shares into which the B Ordinary Shares to be so converted shall so convert. |

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Such right of conversion may be effected by notice in writing given to the Company signed by the Holder of the relevant B Ordinary Shares.

- 4.2 A conversion under article 4.1 shall take effect immediately upon the date of delivery of a notice to the Company in accordance therewith (unless such notice states that the conversion is to be effective when any condition(s) specified in the notice have been fulfilled in which case conversion shall take effect when such condition(s) have been fulfilled).
- 4.3 Forthwith upon a conversion taking effect the Holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of B Ordinary Shares. Following receipt of the certificate for the B Ordinary Shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to such Holders certificates for the Ordinary Shares resulting from the relevant conversion.

C Ordinary Shares

- 4.4 Each Holder of C Ordinary Shares may at any time convert all, or any part of, its holding of C Ordinary Shares into a number of Ordinary Shares calculated as follows:

$$\left(\frac{W \times X}{Y} \right) = Z$$

W = the applicable Conversion Ratio (excluding for the purposes of such calculation any issue of Shares pursuant to article 4.13)

X = the aggregate nominal value of the C Ordinary Shares to be converted,

Y = the nominal value of one Ordinary Share,

Z = the number of Ordinary Shares into which the C Ordinary Shares to be so converted shall so convert.

Such right of conversion may be effected by notice in writing given to the Company signed by the Holder of the relevant C Ordinary Shares.

- 4.5 A conversion under article 4.4 shall take effect immediately upon the date of delivery of a notice to the Company in accordance therewith (unless such notice states that the conversion is to be effective when any condition(s) specified in the notice have been fulfilled in which case conversion shall take effect when such condition(s) have been fulfilled).
- 4.6 Forthwith upon a conversion taking effect the Holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of C Ordinary Shares. Following receipt of the certificate for the C Ordinary Shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to such Holders certificates for the Ordinary Shares resulting from the relevant conversion.

D Ordinary Shares

- 4.7 Each Holder of D Ordinary Shares may at any time convert all, or any part of, its holding of D Ordinary Shares into a number of Ordinary Shares calculated as follows:

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$$\left(\frac{W \times X}{Y} \right) = Z$$

- W = the applicable Conversion Ratio (excluding for the purposes of such calculation any issue of Shares pursuant to article 4.13)
- X = the aggregate nominal value of the D Ordinary Shares to be converted,
- Y = the nominal value of one Ordinary Share,
- Z = the number of Ordinary Shares into which the D Ordinary Shares to be so converted shall so convert.

Such right of conversion may be effected by notice in writing given to the Company signed by the Holder of the relevant D Ordinary Shares

- 4.8 A conversion under article 4.7 shall take effect immediately upon the date of delivery of a notice to the Company in accordance therewith (unless such notice states that the conversion is to be effective when any condition(s) specified in the notice have been fulfilled in which case conversion shall take effect when such condition(s) have been fulfilled).
- 4.9 Forthwith upon a conversion taking effect the Holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of D Ordinary Shares. Following receipt of the certificate for the D Ordinary Shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to such Holders certificates for the Ordinary Shares resulting from the relevant conversion.

Listing

- 4.10 Immediately prior to a Listing, each of issued B Ordinary Shares, C Ordinary Shares and D Ordinary Shares shall, convert automatically into such number of Ordinary Shares determined in accordance with articles 4.1, 4.4 and 4.7, such conversion to take effect immediately prior to, but conditionally upon, the Listing becoming effective.

General

- 4.11 The Ordinary Shares resulting from a conversion pursuant to this article 4 shall rank from the date of conversion *pari passu* in all respects with the other Ordinary Shares in the Company.
- 4.12 Nothing in this article 4 shall entitle any person to any fraction of any Share and any such fraction of a Share shall be disregarded and may be otherwise applied by the Company at the discretion of the Directors in accordance with the Act.
- 4.13 Immediately upon a conversion pursuant to any of articles 4.1, 4.4, 4.7 and 4.10 all dividends Arrears in respect of all D Ordinary Shares, C Ordinary Shares and/or B Ordinary Shares (as the case may be) to be so converted shall be capitalised into Ordinary Shares which Ordinary Shares the Company shall immediately allot and issue (together with Share certificates in respect thereof) to the Holders of the D Ordinary Shares, C Ordinary Shares and/or B Ordinary Shares so converted. The number of Ordinary Shares to be so allotted and issued to each such Holder (the “**Relevant Holder**”) shall be calculated as follows:

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$$J = \frac{K}{L}$$

- J = number of Ordinary Shares to be issued to the Relevant Holder,
- K = the aggregate of all dividends Arrears in respect of all D Ordinary Shares, C Ordinary Shares and B Ordinary Shares to be so converted and held by the Relevant Holder,
- L = the price per share which (having regard to any reorganisation of the Company's Share capital since Adoption, including any bonus or capitalisation issue, sub-division or consolidation) would be equivalent to the mean average Subscription Price per Share paid by the Investors for D Ordinary Shares subscribed by the Investors pursuant to the Investment Agreement or, if lower and in the event of a conversion made in connection with, or otherwise at the time of, a Listing the offer price for each new Share offered by the Company to be subscribed by investors in connection with the relevant Listing.

If the number, J, calculated in accordance with this article 4.13 is not a whole number, the number of Ordinary Shares to be actually issued and allotted by the Company to the Relevant Holder in respect of a capitalisation of the aggregate of all dividends Arrears in respect of all D Ordinary Shares, C Ordinary Shares and B Ordinary Shares held by the Relevant Holder shall be such whole number as is closest to, but less than, J (and the balancing fraction of a Share shall be disregarded and any corresponding arrears of accrued and/or declared, but unpaid, dividends shall cease to be payable).

- 4.14 Any conversion of D Ordinary Shares, C Ordinary Shares and/or B Ordinary Shares (or any dividend Arrears thereon) into Ordinary Shares pursuant to this article 4 shall be effected in such manner as the Directors and as the law may allow.
- 4.15 In the event of a Capitalisation Issue the Conversion Ratio shall be adjusted in such manner as is determined by the Auditors (acting as experts and not as arbitrators) (at the cost of the Company) to be fair and reasonable.

5. CLASS RIGHTS

- 5.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (subject to the Act, and in particular section 125(3) of the Act) be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of the Holders of not less than 52% of the issued Shares of that class.

Without prejudice to the generality of this article 5.1 the special rights attached to the D Ordinary Shares (as a class) shall be deemed to be varied by the Company and/or any Subsidiary of the Company:

- 5.1.1 amending its memorandum of association or articles of association; or
- 5.1.2 varying in any way (whether directly or indirectly) the rights attached to any of the shares in the capital of such company from time to time (other than pursuant to a conversion in accordance with article 4);

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- 5.1.3 capitalising of any reserves of such company or the applying of any amount for the time being standing to the credit of the share premium account or capital redemption reserve of such company for any purpose;
- 5.1.4 subject to article 5.3, any alteration, increase, reduction, sub-division, cancellation, purchase, or consolidation of the whole or part of the authorised or issued Share capital of such company (other than the granting of options and the issue of Shares pursuant to the Share Option Schemes);
- 5.1.5 any such company ceasing to trade or the taking of steps for the voluntary winding up of any such company or the placing of any such company in administration or the taking of similar proceedings in respect of any such company, save where such company or the Board has been advised that such company is insolvent or in the reasonable opinion of the Board there is no reasonable prospect of such company avoiding insolvency;
- 5.1.6 disposing of its undertaking or any substantial part thereof; or
- 5.1.7 disposing of or acquiring any interest in any share in the capital of any company.
- 5.2 Sections 89 and 90 of the Act shall apply to the Company as though the Shares constitute one class of Share but the special rights attached to the D Ordinary Shares (as a class) shall be deemed to be varied by any disapplication, exclusion, limitation or variation of the provisions of Section 89 of the Act.
- 5.3 Notwithstanding article 5.1 (and in particular article 5.1.4), any issue of Relevant Equity Securities by the Company shall be deemed not to vary or abrogate the rights attaching to D Ordinary Shares (as a class), C Ordinary Shares (as a class), B Ordinary Shares (as a class) Ordinary Shares (as a class) and/or Preferred Shares (as a class).

6. VOTING

- 6.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles:
 - 6.1.1 each Ordinary Share shall carry one vote per Share;
 - 6.1.2 each D Ordinary Share shall carry one vote per Share (save in the event that the applicable Conversion Ratio is greater than 1, in which event the number of votes carried by each D Ordinary Share shall be equal to 1 multiplied by the applicable Conversion Ratio);
 - 6.1.3 each C Ordinary Share shall carry one vote per Share (save in the event that the applicable Conversion Ratio is greater than 1, in which event the number of votes carried by each C Ordinary Share shall be equal to 1 multiplied by the applicable Conversion Ratio);
 - 6.1.4 each B Ordinary Share shall carry one vote per Share (save in the event that the applicable Conversion Ratio is greater than 1, in which event the number of votes carried by each B Ordinary Share shall be equal to 1 multiplied by the applicable Conversion Ratio); and
 - 6.1.5 the votes attaching to the Deferred Shares shall be determined in accordance with article 28.

6.2 Votes on Shares may be exercised:

- 6.2.1 on a show of hands, by every holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by proxy, not being himself a holder of Shares (in which case each member holding Shares shall have one vote); and
- 6.2.2 on a poll, by every holder of Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding Shares shall have such number of votes attributable to the Shares so held calculated by reference to article 6.1).

7. ISSUE OF SHARES

Subject always to the provisions of the Act, the Investment Agreement and these Articles having been duly and properly complied with:

7.1 Section 80 authority to allot

The Directors shall be generally and unconditionally authorised pursuant to and in accordance with section 80 of the Act to exercise all the powers of the Company for each Authority Period to allot relevant securities up to an aggregate nominal amount equal to the Authority Amount.

7.2 Section 95 disapplication of section 89

During each Authority Period the Directors shall be empowered pursuant to section 95 of the Act to allot equity securities wholly for cash pursuant to and within the terms of the general authority conferred by article 7.1, as if section 89 of the Act did not apply to that allotment.

7.3 Authority to make offers or agreements which might require allotment after section 80 authority has expired

By the authority and power conferred by articles 7.1 and 7.2, the Directors may, during the Authority Period, make offers or agreements which would or might require the allotment of equity securities or other relevant securities after such period expires and in such circumstances the Directors may allot securities in pursuant of that offer or agreement as if such authority and power had not expired.

7.4 Pre-emption

- 7.4.1 Notwithstanding the provisions of articles 7.1 to 7.3, in the event that the Company proposes to issue (a **"Relevant Issue"**) any Relevant Equity Securities after Adoption each Holder of D Ordinary Shares and/or C Ordinary Shares (treated as one class) shall have the right (the **"Pre-emption Right"**) to subscribe on the same terms (including, without limitation, as to price) as proposed to be offered as part of such Relevant Issue (the **"Terms of Issue"**).
- 7.4.2 In the first instance, the maximum number of Relevant Equity Securities which a Holder of D Ordinary Shares and/or C Ordinary Shares may subscribe for, by virtue of the exercise of its/his Pre-emption Right shall be that number of Relevant Equity Securities (an **"Initial Entitlement"**) which when expressed as a percentage of the total number of Relevant Equity Securities to be comprised in the relevant Issue is determined by the Directors to be as near as

may be to that percentage of all D Ordinary Shares and C Ordinary Shares in issue which are held by the Relevant Holder.

- 7.4.3 Prior to a Relevant Issue, the Company shall notify in writing each Holder of D Ordinary Shares and/or C Ordinary Shares of the Company's intention to make a Relevant Issue (the "**Pre-emption Notice**"). The Pre-emption Notice shall specify in reasonable detail the Terms of Issue, the Initial Entitlement of the relevant Holder and the maximum number of Relevant Equity Securities the subject of the Relevant Issue.
- 7.4.4 The Pre-emption Notice shall invite the Relevant Holder to exercise its/his Pre-emption Rights by confirming to the Company in writing within 21 days (or such shorter period as may be approved in writing by an Investor Majority) of the date of such notice (the "**Acceptance Period**") whether or not such Holder wishes to exercise such Pre-emption Rights.
- 7.4.5 If a Relevant Holder fails to confirm by valid written notice (a "**Confirmation Notice**") delivered to the Company within the Acceptance Period, it/he shall be deemed to have waived its/his Pre-emption Rights in respect of the Relevant Equity Securities which the Holder was invited to subscribe pursuant to the Pre-emption Notice to which such Confirmation Notice related (and such rights shall thereupon lapse).
- 7.4.6 A valid Confirmation Notice must:
- (a) confirm the name and address of the Holder who wishes to subscribe for Relevant Equity Securities pursuant to the exercise of the his/its Pre-emption Rights; and
 - (b) specify the number of Relevant Equity Securities to be comprised in the Initial Entitlement of the relevant Holder which each relevant Holder wishes to subscribe (and in aggregate not exceeding such Initial Entitlement); and
 - (e) may, at the option of the Holder, confirm the maximum number of additional Relevant Equity Securities which he/it wishes to subscribe (and in aggregate, not exceeding the maximum number of Relevant Equity Securities the subject of the Relevant Issue) and which confirmation shall be deemed to constitute a further Confirmation Notice from such Holder in respect of any further invitation(s) to subscribe Relevant Equity Securities as part of the Relevant Issue in respect of any further Pre-emption Notice(s) served pursuant to article 7.4.7.
- 7.4.7 If, following the earlier of:
- (a) the receipt by the Company of Confirmation Notices from all Holders of D Ordinary Shares and/or C Ordinary Shares; or
 - (b) the end of the Acceptance Period,

the Company has not received valid Confirmation Notices in respect of all Relevant Equity Securities proposed to be issued as part of the Relevant Issue, then the Company shall issue further pre-emption notices (in respect of the unallocated balance of Relevant Equity Securities which Holders of D Ordinary Shares and/or C Ordinary Shares have not confirmed they wish to acquire by way of valid Confirmation Notice(s)) to those Holders of D Ordinary Shares and/or C Ordinary Shares who have previously indicated (pursuant to valid Confirmation Notices) their wish to acquire all Relevant Equity Securities offered to them by

way of Pre-emption Notice, and the provisions of articles 7.4.2 to 7.4.7 shall be repeated and apply *mutatis mutandis* to all such further pre-emption notices until:

- (i) all Relevant Equity Securities proposed to be issued as part of the Relevant Issue have been allocated to Holders of D Ordinary Shares and/or C Ordinary Shares pursuant to valid Confirmation Notices; or
- (ii) no Holder of D Ordinary Shares and/or C Ordinary Shares continues to accept (by way of valid Confirmation Notice) all Relevant Equity Securities offered to him/it by way of Pre-emption Notice in respect of the Relevant Issue.

7.4.8 If, following the conclusion of those matters set out in articles 7.4.2 to 7.4.7 in respect of the service of Pre-emption Notices on, and the return of Confirmation Notices by, the Holders of D Ordinary Shares and/or C Ordinary Shares any Relevant Equity Securities to be comprised in the Relevant Issue remain unallocated to Holders of D Ordinary Shares and/or C Ordinary Shares (such unallocated Relevant Equity Securities being the “**Unallocated Pre-emption Balance**”) then all Holders of Share (other than Holders of D Ordinary Shares and/or C Ordinary Shares) shall have a Pre-emption Right to subscribe for Relevant Equity Securities comprised in the Unallocated Pre-emption Balance on the same Terms of Issue, and the provisions of articles 7.4.2 to 7.4.7 shall apply *mutatis mutandis* to such Pre-emption Rights by reference to the holdings of the Shares (other than D Ordinary Shares and C Ordinary Shares).

7.4.9 If, following the earlier of:

- (a) the receipt by the Company of Confirmation Notices pursuant to which Holders of Shares have indicated a wish to acquire all Relevant Equity Securities proposed to be comprised in the Relevant Issue; or
- (b) the conclusion of those matters set out in articles 7.4.2 to 7.4.8, such that no Holder of Shares continues to accept (by way of valid Confirmation Notice) all Relevant Equity Securities offered to him/it by way of Pre-emption Notice in respect of the Relevant Issue,

then the Company may elect to proceed to make a Relevant Issue (subject to such Pre-emption Rights as have been exercised by valid Confirmation Notices served on the Company). For the avoidance of doubt, the Company shall not be obliged to make a Relevant Issue by virtue of its having issued any Pre-emption Notice or received any valid Confirmation Notice. If, however, the Company proceeds to make a Relevant Issue it shall agree to issue the aggregate Final Entitlement (as defined below) to all relevant persons (subject to such person’s compliance with article 7.4.11).

The remaining balance (the “**Balance**”) (if any), being the maximum number of Relevant Equity Securities to be comprised in the Relevant Issue less the number of Relevant Equity Securities subscribed pursuant to the exercise of Pre-emption Rights, may be issued freely by the Company to third parties or otherwise (subject to the provisions of the Investment Agreement and the further provisions of these Articles). For the avoidance of doubt, the Company shall not be obliged to so issue the whole of the Balance and may issue any part thereof.

7.4.10 In the event that the Company elects to proceed to make a Relevant Issue pursuant to article 7.4.9, the Company shall forthwith give written notice (the “**Obligation Notice**”) to each relevant Holder of Shares specifying the number of Relevant Equity Securities (the “**Final**

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Entitlement”) which each such Holder of Shares has indicated he/it wishes to subscribe as part of the Relevant Issue by the service of valid Confirmation Notices and state the final Terms of Issue, and specifying what action(s) (including the prompt making of payment (if relevant)) the Company requires the relevant Holder to take and which is necessary to complete the subscription to be made by such person(s) as part of the Relevant Issue.

- 7.4.11 Each relevant Holder of Shares shall promptly, and in accordance with the requirements of the Company, undertake such action(s) as the Company shall have specified in the Obligation Notice.
- 7.4.12 Subject to article 7.4.13, the Company shall not issue Relevant Equity Securities save in compliance with this article 7.4.
- 7.4.13 A Relevant Issue may be made free of the Pre-emption Rights and other procedures set out in this article 7.4 if so approved in writing by an Investor Majority.
- 7.4.14 An entitlement to any fraction of any Relevant Equity Securities pursuant to this article 7.4 may, at the option of the Company, be disregarded.
- 7.5 Article 7.4 shall not apply to D Ordinary Shares to be allotted under any provision of the Investment Agreement or for the purposes of giving effect to the conversion rights of the D Ordinary Shares, C Ordinary Shares or B Ordinary Shares set out in article 4 or for the purposes of giving effect to the anti-dilution rights set out in article 8.
- 7.6 Article 7.4 shall not apply to: (i) the issue of any Shares pursuant to the exercise of any option granted in accordance with the terms of any Share Option Schemes; (ii) the grant of any option to subscribe any Shares pursuant to any Share Option Scheme (provided such grant is made in accordance with the Investment Agreement); or (iii) any option or other right to subscribe for Relevant Equity Securities subsisting at the date of Adoption or expressly provided for in the Investment Agreement.

8. ANTI-DILUTION

In the event that the Company agrees to issue (a **“Relevant Issue”**) any Relevant Equity Securities after Adoption (other than pursuant to (i) the Investment Agreement (ii) any option granted in accordance with the terms of any Share Option Schemes or (iii) any option to subscribe for Shares existing as at the date of Adoption or (iv) the issue of Relevant Equity Securities pursuant to the capitalisation of dividend Arrears) at a price per Share (or in the case of the issue of a Relevant Equity Security, other than a Share, which provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any Share(s) in the capital of the Company from time to time, the equivalent price of any such Share to be so issued) (in each case, the **“Third Party Price”**) less than the price which (having regard to any reorganisation of the Company's share capital since Adoption, including any bonus or capitalisation issue, sub-division or consolidation) would be equivalent to the mean average Subscription Price per Share paid by the Investors in respect of D Ordinary Shares subscribed by the Investors pursuant to the Investment Agreement, THEN the Company shall (to the extent that it is lawfully able to do so), and is hereby authorised by the members of the Company to, issue to the Holders of D Ordinary Shares by way of capitalisation of the Company's share premium account (or otherwise in accordance with all applicable laws and in a manner approved by an Investor Majority (such consent not to be unreasonably withheld or delayed)) in respect of any D Ordinary Shares held by them such number of additional D Ordinary Shares (fully paid up as to nominal value) which if issued to a Holder of D Ordinary Shares would result in such Holder of D Ordinary Shares holding in aggregate such number

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of D Ordinary Shares as would otherwise be held if the mean average price per Share actually paid by such Holder in respect of all D Ordinary Shares (including Shares issued pursuant to this article) was equal to the relevant Third Party Price.

Nothing in this article 8 shall entitle any person to any right in respect of any fraction of a Share.

9. LIEN

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders.

10. CALLS

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

11. TRANSFER OF SHARES

The Directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles but (subject to paragraphs (a) to (c) of Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of Shares. For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles, the Directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request, the Directors shall be entitled to refuse to register the transfer in question.

12. PERMITTED TRANSFERS

12.1 Notwithstanding any other provisions of these Articles any member (being an individual) may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Shares held by him to a Privileged Relation. For the purposes of these Articles "**Privileged Relation**" in relation to a member means the spouse or civil partner (as defined in the Civil Partnership Act 2004) or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.

12.2 Notwithstanding any other provision in these Articles any members may at any time transfer (or by will bequeath or otherwise dispose of on death) all or any Shares held by him to trustees to be held upon a Family Trust of which he is the settlor.

12.3 Where any Shares are held by trustees upon a Family Trust:

- (a) on any change of trustees such Shares may be transferred to the new trustees of that Family Trust;
- (b) such Shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

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- 12.4 If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as defined below) shall be deemed to have been given in respect of the relevant Shares (as defined below) by the Holders thereof and such Shares may not otherwise be transferred. For the purposes of this sub-article the expression "**relevant Shares**" means and includes the Shares originally transferred to the trustees and any additional Shares issued or transferred to the trustees by virtue of the holding of the relevant Shares or any of them.
- 12.5 Notwithstanding any other provision in these Articles, any Share may at any time be transferred or transmitted to the personal representatives of a deceased member where under the provisions of his will or on his intestacy all the persons beneficially entitled to any such Shares are Privileged Relations or trustees of a Family Trust. Where Shares have been transferred in accordance with this article 12 and all the persons beneficially entitled to such Shares cease to be Privileged Relations or trustees of a Family Trust of the deceased member, the personal representatives shall be deemed to have given a Transfer Notice in respect of the relevant Shares.
- 12.6 Notwithstanding any other provision of these Articles, any member being a corporation may at any time transfer all (but save with the prior consent in writing of a majority of the Directors, not some only) of the Shares held by it:
- (a) to any Subsidiary of the member; or
 - (b) to any company of which the member is a Subsidiary or any Subsidiary of any such company;
- on terms (in any such case) that if the transferee ceases to be a Holding Company or Subsidiary as aforesaid it shall re-transfer the Shares in question to the original transferor and failing such transfer, the Company shall authorise some person to execute transfers of the relevant Shares in favour of the original transferor and shall enter the name of the original transferor in the Register of Members as the Holder of such Shares.
- 12.7 Notwithstanding any other provision in these Articles the following transfers may be made without restriction as to price or otherwise and any such transfers shall be registered by the Directors, provided that if the transferee ceases to hold the status allowing such transfer under this article it shall re-transfer the Shares in question to the original transferor and failing such transfer, the Company shall authorise some person to execute transfers of the relevant Shares in favour of the original transferor and shall enter the name of the original transferor in the Register of Members as the Holder of such Shares:
- 12.7.1 any transfer by any member of an Investor's Group to any other member in the same Investor's Group (but if such transferee ceases to be a member of the Investor's Group it shall forthwith transfer the relevant Shares to a member of the relevant Investor's Group);
- 12.7.2 a transfer of any Shares held by an Investor (or a nominee of an Investor) who is:
- (1) a person whose principal business is to make, manage or advise upon investments (an "**Investment Manager**"); or

- (2) a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager (an "Investment Fund"); or
- (3) a nominee of an Investment Manager or an Investment Fund

may be made between the Investor (or its nominee) and:

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

(or, in any such case, a nominee thereof).

13. TRANSFERS WITH SHAREHOLDER APPROVAL

- 13.1 Notwithstanding any other provisions of these Articles: (i) a transfer of any Ordinary Shares approved by the Holders of 52% of issued D Ordinary Shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the Directors and, (ii) a transfer of any class of Share (other than Ordinary Shares) approved by the Holders of 75% of all issued Shares and an Investor Majority may be made without restriction as to price or otherwise and any such transfer shall be registered by the Directors.

14. COMPULSORY TRANSFERS - GENERAL

- 14.1 A person entitled to a Share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such Share.

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- 14.2 If a Share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such Shares (including for such purpose an election to be registered in respect thereof) being a Permitted Transfer or to show to the satisfaction of the Directors that a Permitted Transfer will be effected prior to or promptly upon the completion of the administration of the estate of the deceased member or (failing compliance with either of the foregoing within one month or such longer period as the Directors may allow for the purpose) to give a Transfer Notice in respect of such Share.
- 14.3 Unless otherwise approved by an Investor Majority, if a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (an "Event"), such member or Permitted Transferee shall be deemed to have given a Transfer Notice immediately prior to such Event in respect of all of the Shares held by such member and/or such Permitted Transferee.
- 14.4 Unless otherwise approved by an Investor Majority, if there is a change in Control of any member which is a company or any Holding Company of such a member (other than any member which is an Investor or Permitted Transferee of such Investor), it and each of its Permitted Transferees shall be bound at any time, if and when required in writing by the Directors so to do, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names.
- 14.5 **Mandatory transfer on cessation of employment**
- 14.5.1 Subject to articles 14.5.2 if a person becomes a Leaver or is given or gives notice to terminate his employment or engagement in circumstances where he will as a result become a Leaver:
- (a) he and each Relevant Member of his shall, if and to the extent required by the Directors or any Special Director by notice in writing given to him (or his personal representative, as appropriate) at any time and from time to time during the period of eighteen months following his Leaving Date, give a Transfer Notice or Notices in respect of all or any of his or their Relevant Shares;
 - (b) he shall, if he subsequently becomes registered or unconditionally entitled to be registered as the holder of shares in the Company pursuant to a right or opportunity made available to him prior to his becoming a Leaver, be deemed (unless otherwise agreed by all the Directors with the consent of the Investor Majority) to have served a Transfer Notice in respect of all such shares, upon becoming so registered or entitled.
- 14.5.2 Article 14.5.1(a) shall not apply to the Vested Shares (as defined below) comprising Relevant Shares held by a Founder and/or his Relevant Member(s), if the Founder in question is a Good Leaver.
- 14.5.3 For the purpose of ensuring that a transfer of shares is in accordance with the provisions of these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder the Directors may (and shall if required by a Special Director) from time to time require any member or past member (including any one or more of joint holders of shares) or the legal personal representatives or the trustee in bankruptcy of any member or any person named as a transferee in any instrument of transfer lodged for registration, to furnish to the Company such information and evidence as the

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Directors (including any Special Director) may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose.

- 14.5.4 The number of “**Vested Shares**” in respect of the Founder shall be calculated from the below table by reference to the period within which the Founder ceases to be a director or employee of or consultant to the Company or any Subsidiary of the Company (including by reason of the Subsidiary which employs or engages him ceasing to be a Subsidiary) and does not continue as or thereupon become a director or employee of or a consultant to the Company or any Subsidiary of the Company:

| Period | Founder | Vested Shares |
|---|----------------|----------------------|
| Commencing on the date of Adoption and ending on 20 December 2006 | Mark Carlton | 224,800 |
| | Sam Aparicio | 224,800 |
| Commencing on the 21 December 2006 and continuing thereafter | Mark Carlton | 288,000 |
| | Sam Aparicio | 288,000 |

In the event of a Capitalisation Issue or any consolidation or sub-division of the capital of the Company the numbers and class (if applicable) of shares detailed above shall be adjusted in such manner as is determined by the Auditors (acting as experts and not arbitrators) (at the cost of the Company) to be fair and reasonable.

14.5.5 **Bad Leaver Sale Price**

Notwithstanding article 15.2, where an Employee Member is a Bad Leaver and is deemed to have served a Transfer Notice in accordance with article 14.5.1, the Sale Price in respect of the shares to be transferred by such Bad Leaver and his Relevant Members shall be the lesser of:

- (i) the original subscription price paid in respect of the relevant Shares (save in relation to the 70,000 shares held by Mark Carlton and Sam Aparicio, which were transferred to them by Dr Richard Goodfellow, where the price shall be 10 pence per share); or
- (ii) the Sale Price calculated in accordance with article 15.2.

14.5.6 **Good Leaver Sale Price**

Where an Employee Member is a Good Leaver and is deemed to have served a Transfer Notice in accordance with article 14.5.1, the Sale Price in respect of the shares to be transferred by such Good Leaver and his Relevant Members shall be calculated in accordance with article 15.2.

- 14.5.7 If any information or evidence requested under article 14.5.3 is not provided to the reasonable satisfaction of the Directors (including any Special Director) within fourteen days after such a request, the Directors may (and will if required by any Special Director) refuse to register the transfer in question or (in case no transfer is in question) require by notice in writing that a Mandatory Transfer Notice is given in respect of the shares concerned. If such information or evidence discloses that in the reasonable opinion of the Directors a Transfer Notice ought to

have been given in respect of any shares the Directors may (and will if required by any Special Director) by notice in writing require that a Mandatory Transfer Notice is given pursuant to these Articles in respect of the shares concerned.

14.5.8 Where under the provisions of these Articles a Deemed Transfer Notice is required to be given in respect of any shares but it is not given within a period of fourteen days of demand therefor being made or within any other period specified it shall, be deemed to have been given on the seventh day after such demand is made or at the end of the relevant specified period, as appropriate.

14.5.9 A Deemed Transfer Notice may not be withdrawn once served (or deemed served).

14.5.10 The period within which the Company shall be obliged to first offer Shares the subject of a Deemed Transfer Notice to Holders of Shares (other than the Vendor) pursuant to article 15.5 shall be deemed to run as from the date on which the fact that a Deemed Transfer Notice has been served or (deemed to be served) shall come to the attention of the Directors (but, for the avoidance of doubt, a failure by the Company to thereafter serve an Offer Notice (as defined in article 15.5) within the required time limit shall not prohibit the serving of an Offer Notice in respect of the relevant Deemed Transfer Notice at any time thereafter).

14.5.11 The provisions of article 14.5 shall not apply to Mr Charles Cox or Dr Richard Goodfellow under any circumstances.

15. TRANSFER NOTICE

15.1 Save as otherwise provided in these Articles every member who desires to transfer any Shares (**"the Vendor"**) shall give to the Company notice in writing of such desire (a **"Transfer Notice"**). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's attorney for the sale of the Shares specified therein (hereinafter called the **"Sale Shares"**) in one or more lots at the discretion of the Directors to the Holders of Shares in the Company (other than the Vendor) in accordance with this Article 15 at the Sale Price (as determined pursuant to article 15.2) (the **"Sale Price"**). A Transfer Notice once given or deemed to have been given shall not be capable of being revoked (except as provided for in article 15.3 or with the prior written consent of a majority of the Directors (including a Special Director Majority)).

15.2 Subject to article 14.5.4, the Sale Price shall be the price agreed by the Vendor and the Board. If the Vendor and the Board are unable to agree a price within 28 days of the Transfer Notice being given then the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion the market value thereof. In arriving at this opinion prior to certifying the Sale Price, the Independent Expert will value the Shares on a going concern basis and assuming a sale between a willing seller and a willing buyer ignoring any reduction or increase in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority or Controlling Interest and on the assumption that the Sale Shares are capable of transfer without restriction.

15.3 If the Independent Expert is asked to certify the Sale Price, his certificate shall be delivered to the Company. The certificate of the Independent Expert shall, (in the absence of manifest error), be binding on the parties. As soon as the Company receives the certificate it shall deliver a copy to the Vendor and the Vendor shall be entitled by notice in writing given to the Company within 10 days of the service upon him of the copy to revoke the Transfer Notice (but a Deemed Transfer Notice may not be so revoked). The cost of obtaining the certificate

shall be borne by the Company unless the Vendor has revoked the Transfer Notice, in which case the Vendor shall bear the cost.

- 15.4 The Transfer Notice (other than a Deemed Transfer Notice) may contain a condition (a "**Total Transfer Condition**") 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.
- 15.5 Upon the Sale Price being agreed or certified by the Independent Expert, then unless the Vendor shall validly revoke the Transfer Notice, the Company shall forthwith offer by notice in writing (an "**Offer Notice**"), the Sale Shares to all Holders of D Ordinary Shares and C Ordinary Shares (treated as one class) (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of D Ordinary Shares and C Ordinary Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member to whom Shares have been so offered to state in writing within 21 days from the date of the Offer 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. If at the end of the said period of 21 days there are any Sale Shares which have not been allocated the Company shall offer such Shares to those Holders of D Ordinary Shares and C Ordinary Shares who have stated in writing their willingness to purchase all the Shares previously offered to them. Such remaining Sale Shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of D Ordinary Shares and C Ordinary Shares then held by such members and the offer shall remain open for a further period of 21 days. The Company shall continue to make offers on the same terms while any Holder of D Ordinary Shares and C Ordinary Shares continues to state in writing his willingness to purchase all the Shares offered to him.
- 15.6 If after the expiry of the process described in article 15.5 there remain Sale Shares which have not been allocated then the Company shall within 21 days of the Company becoming aware that there are surplus Sale Shares invite each Holder of Shares (other than the Vendor and the holders of D Ordinary Shares and C Ordinary Shares) to state in writing whether he wishes to acquire any of the surplus Sale Shares. The provisions of article 15.5 shall apply to the offer process under this article 15.6 mutatis mutandis.
- 15.7 Within seven days of the expiry of the final offer made by the Company pursuant to article 15.5 or 15.6 (as the case may be), the Company shall notify the Vendor in writing of the number of the Sale Shares for which the Company has found a purchaser or purchasers. If the Company finds a purchaser or purchasers for all or 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 purchaser(s). If the Vendor defaults in transferring the Sale Shares the Company shall if so required by the purchaser or purchasers willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchaser(s) and shall enter the names of the purchasers in the Register of Members as the holders of such of the Sale Shares as shall have been transferred to them as aforesaid, subject only to such transfer having been duly stamped. If the Transfer Notice contained a valid Total Transfer Condition, the Vendor shall only be obliged to transfer the Sale Shares if purchaser(s) have been found for all of the Sale Shares.
- 15.8 If the Company does not find purchasers for all of the Sale Shares under the terms of articles 15.5 and 15.6 the Vendor shall, at any time within six months after receipt of the notice from the Company pursuant to article 15.7, be free to sell and transfer such of the Sale Shares as have not been so sold (or if the Sale Shares were subject to a Total Transfer Condition, all of

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the Sale Shares), to any person at a price which is no less than the Sale Price. If the Sale Shares were subject to a Total Transfer Condition a sale pursuant to article 15.8 must be of all the Sale Shares and not part only.

16. EFFECT OF NON-COMPLIANCE

Any purported transfer of Shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect.

17. TAG ALONG

17.1 No sale or transfer (other than a Permitted Transfer) of the legal or beneficial interest in any Shares may be made or validly registered unless the proposed transferee or his or their nominees has or have offered to purchase:

- (a) from each member a proportion (any fractional Shares being disregarded) of the Shares held by each member equal to the proportion that the number of Shares to be so transferred by the proposed transferor bears to the total number of Shares held by such transferor immediately prior to such transfer; or
- (b) all Shares, where such transfer would result in any person or persons obtaining a Controlling Interest in the Company,

and an equal proportion of all other Shares in the capital of the Company held by each such member arising from the exercise of any options which have, at the time of the offer made pursuant to this article 17.1, been granted by the Company; all at such price per Share as would result in the proceeds of such sale or transfer being distributed in accordance with article 3 (and if article 3.1 applies then at such price per share as determined in accordance with article 3.1 as though such transfer constituted a Sale, or otherwise at the same price per Share irrespective of class).

17.2 The provisions of article 17.1 shall not apply in respect of sub-article 17.1(a) in respect of a transfer of Shares (other than a transfer of shares by an Investor or a Permitted Transferee of an Investor):

- (a) where the relevant sale or transfer (together with all other sales and/or transfers made directly or indirectly in connection with such relevant sale or transfer) represents a sale or transfer of less than 5% of the then issued Share capital of the Company (by reference to the number of Shares in issue); or
- (b) if an Investor Majority otherwise consents in writing to the disapplication of such provisions.

18. DRAG ALONG

18.1 If an offeror for Shares in the Company, having made offers to all the members of the Company (each member having, for the avoidance of doubt, received an offer from the offeror to acquire all Shares held by such member all at such price per Share as would result in the proceeds of such sale or transfer being distributed in accordance with article 3.1 if article 3.1 applies to such sale or transfer (and if article 3.1 does not apply) in respect of such sale or transfer, then at the same price per Share irrespective of class) receives valid acceptances which would, on completion, result in such offeror becoming the Holder of those

Shares held by such persons as constitute an Investor Majority (to the extent that such persons hold Shares), then:

- 18.1.1 any Holder of Shares who has accepted such offer may give notice (a "Drag Along Notice") to any non-accepting Holder of Shares requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of all Shares (and all Shares which he may acquire pursuant to any option exercisable on or prior to completion of the relevant offer) held by him and irrevocably to have waived any pre-emption rights he may have in relation to any Shares the subject of such offer;
- 18.1.2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the Shares which were the subject of the notice together with an executed waiver of pre-emption rights, if appropriate;
- 18.1.3 if any such member fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waiver(s) (if appropriate) as set out above he shall be deemed to have appointed any Director to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase moneys, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such members' share certificate(s) has/have not been produced. The Company shall continue to hold the purchase monies for such member in a separate bank account pending delivery to the Company of the share certificates for such members shares or an indemnity in respect of lost certificates in a form reasonably acceptable to the Company whereupon the Company shall pay the purchase monies to such member without interest; and
- 18.1.4 after such offeror or his nominee has been registered as the Holder of Shares transferred in accordance with this article the validity of such transaction shall not be questioned by any person.
- 18.1.5 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of an option conferring a right to acquire shares in the Company, pursuant to the conversion of any convertible security of the Company or otherwise pursuant to the terms of any other Relevant Equity Security, in each case granted, issued or otherwise existing prior to the date of the sale of Shares to which such Drag Along Notice relates (a "New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such Shares acquired by them under the same offer and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

18.2 Interpretation

In this article 18:

- 18.2.1 the expressions "**transfer**" and "**transferee**" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment;
- 18.2.2 the expression "**shares**" additionally includes Relevant Equity Securities;

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- 18.2.3 whether or not persons are acting in concert will be determined by the then most recent edition of the City Code on Takeovers and Mergers.

19. PRIMACY OF TAG ALONG AND DRAG ALONG

Save for Permitted Transfers of Shares in the capital of the Company, all other regulations of the Company relating to the transfer of Shares and the rights to registration of transfers shall be read subject to the provisions of articles 17 and 18.

20. BARE NOMINEES

For the avoidance of doubt and without limitation, no Share (other than any Share so held on the date of the Investment Agreement) or subscribed pursuant to the Investment Agreement shall be held by any member as a bare nominee for, and no interest in any Share shall be sold to, any person unless a transfer of such Share to such person would rank as a Permitted Transfer. If the foregoing provision of this article 20 shall be infringed the Holder of such Share shall be bound to give a Transfer Notice in respect thereof.

21. PROCEEDINGS AT GENERAL MEETINGS

- 21.1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 21.2 A resolution in writing executed or approved by facsimile by or on behalf of the Holders of all the issued D Ordinary Shares, C Ordinary Shares, B Ordinary Shares and Ordinary Shares shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a director or the Secretary (or other officer of such competitor in the case of a company incorporated other than in England and Wales) thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.

22. ALTERNATE DIRECTORS

- 22.1 Any Director (other than an alternate director) may at any time by writing under his hand and served on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate director and may remove from office any alternate director so appointed by him. The same person may be appointed as the alternate director of more than one Director.
- 22.2 An alternate director shall be entitled:
- 22.2.1 to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member;
- 22.2.2 to attend, be counted in the quorum for and vote at any such meeting at which the Director appointing him is not personally present; and
- 22.2.3 generally at such meeting to perform all the functions of his appointor as a Director in his absence.

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If an alternate director is himself a Director or attends any such meeting as an alternate director for more than one Director, then his voting rights shall be cumulative.

- 22.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a Director; but, if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 22.4 Any appointment or removal of an alternate director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 22.5 An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.
- 22.6 Save as otherwise provided in these Articles, an alternate director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.
- 22.7 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration.
- 22.8 Regulations 65 to 69 shall not apply.

23. DIRECTORS

- 23.1 The maximum number of Directors shall be 9 (or such greater number as an Investor Majority may approve from time to time).
- 23.2 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly.
- 23.3 Without prejudice to the first sentence of Regulation 89, a meeting of the Directors or of a committee of the Directors may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles shall be construed accordingly.
- 23.4 A resolution in writing signed or approved by facsimile by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Regulation 93 shall not apply.
- 23.5 Notice of every meeting of the Directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United

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Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him,

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

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

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

23.6.3 may (and any firm or company of which he is a partner or member or Director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

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

23.6.5 shall be entitled to vote and be counted in the quorum or on any matter concerning the foregoing paragraphs of this article 23.

23.7 For the purposes of this article 23:

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

23.7.2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and

23.7.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a Director shall be treated as an interest of the Director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

23.8 In the case of an equality of votes at a meeting of the Directors, the chairman of the Company shall not have a second or casting vote. Regulation 88 shall be modified accordingly.

23.9 The office of a Director shall be vacated if:

(a) he resigns by notice delivered to the secretary at the registered office or tendered at a board meeting;

(b) he ceases to be a Director by virtue of a provision of the Acts, is removed from office pursuant to the Articles or becomes prohibited by law from being a director;

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- (c) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- (d) an order is made by a court of competent jurisdiction on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the board resolves that his office shall be vacated;
- (e) in the case of a Director (other than a Special Director) he shall be removed from office by notice in writing served upon him signed by all of his co-Directors;
- (f) in the case of a Director (other than a Special Director) if he holds an appointment to an executive office and which appointment terminates or otherwise determines, (unless resolved otherwise by the Board). Such removal shall take effect at the time such appointment terminates or otherwise determines and shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company; and
- (g) in the case of a Director, (other than a Special Director), he shall be removed from office by the service of written notice on such person signed by the Holders of Shares carrying more than 50% of all voting rights in respect of all Shares then in issue exercisable at a general meeting of the members of the Company (such written notice having been additionally approved by an Investor Majority).

24. SPECIAL DIRECTORS

- 24.1 Notwithstanding any other provisions of these Articles for so long as Avlar together with its Permitted Transferee(s) hold in aggregate not less than 15% of the issued equity share capital of the Company (from time to time), then Avlar shall be entitled to appoint any person to act as a Director and to remove from office any person so appointed and to appoint another person in his place. Upon request by Avlar the Company shall also procure that any Director so nominated by Avlar be appointed a director to any Subsidiary of the Company.
- 24.2 Notwithstanding any other provisions of these Articles for as long as Merlin together with its Permitted Transferee(s) hold in aggregate not less than 15% of the issued equity share capital of the Company (from time to time), then Merlin shall be entitled to appoint any person to act as a Director and to remove from office any person so appointed and to appoint another person in his place. Upon request by Merlin, the Company shall also procure that any Director so nominated by Merlin be appointed a director to any Subsidiary of the Company.
- 24.3 Notwithstanding any other provisions of these Articles for as long as BMSIF together with its Permitted Transferee(s) hold in aggregate not less than 15% of the issued equity share capital of the Company (from time to time), then BMSIF shall be entitled to appoint any person to act as a Director and to remove from office any person so appointed and to appoint another person in his place. Upon request by BMSIF, the Company shall also procure that any Director so nominated by BMSIF be appointed a director to any Subsidiary of the Company.
- 24.4 Appointment and removal of any Special Director(s) pursuant to articles 24.1, 24.2 and/or 24.3 shall be by written notice from such persons so appointing or removing such Special

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Director to the Company and which appointment or removal (as the case may be) shall take effect on delivery at the Company's registered office or at any meeting of the Board or Committee thereof or at such other time as specified in the notice.

- 24.5 For so long as the right to appoint any Special Director(s) under this article 24 subsists, upon a poll being taken in connection with a resolution of the Company in general meeting to remove a Special Director or to restrict or delete this article, the relevant shareholder(s) entitled to appoint the same (or any nominees therefor holding shares in the Company) shall be entitled to exercise such total number of votes in respect of their holdings of Shares as shall equal twice the total number of votes cast on such resolution by all other shareholders of the Company.

25. NOTICES

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

26. INDEMNITY

26.1 Directors and secretaries may be indemnified subject to the statutes

Subject to the provisions of and so far as may be consistent with all applicable laws, rules and regulations, but without prejudice to any indemnity to which such person may otherwise be entitled, every Director, alternate Director and Secretary of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer of the Company and in which decree or judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

26.2 Power to purchase and maintain insurance

Without prejudice to the provisions of article 26.1, the Directors shall have power to purchase and maintain, at the cost of the Company, insurance for, or for the benefit of, any persons who are or were at any time Directors, officers or employees of the Company, (for the avoidance of doubt this does not include advisers to the Company) or of any other company or undertaking which is (a) the Holding Company or parent undertaking of the Company or (b) a Subsidiary or subsidiary undertaking of the Company or of such Holding Company or parent undertaking or any such holding company or parent undertaking or Subsidiary or subsidiary undertaking or in which the Company or such Holding Company or parent undertaking or Subsidiary or subsidiary undertaking has any interest whether directly or indirectly.

27. INVESTOR FUNDING PROVISION

- 27.1 If and for so long as an Investor (or any Permitted Transferee of an Investor) holds any Relevant Equity Security in the Company any right (whether by way of pre-emption pursuant to article 15, rights issue or otherwise) to acquire any Relevant Equity Security acquired by,

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conferred on, or otherwise held by, an Investor (or any Permitted Transferee of such Investor) may, at the option of such Investor (or the relevant Permitted Transferee holding such Relevant Equity Securities, as the case may be), be assigned to, renounced in favour of and/or exercised by, any Permitted Transferee of such Investor.

- 27.2 The relevant Investor or the relevant Permitted Transferee holding such Relevant Equity Securities (as the case may be) shall procure that any such Permitted Transferee to whom such rights are so assigned, or by whom such rights are so exercised in accordance with article 27.1, shall (if not already bound by the terms of the Investment Agreement) execute a deed pursuant to which such Permitted Transferee agrees to be bound by the terms of the Investment Agreement and which deed shall be delivered to the Company and each other member of the Company.

28. DEFERRED SHARES

The rights attaching to the Deferred Shares shall be as follows:

- 28.1 the holders of Deferred Shares shall (in their capacity as such) have no right to receive notice of or to attend or vote at any general meeting of the Company and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or for the purposes of the written resolution of any members or class of members;
- 28.2 the holders of Deferred Shares (in their capacity as such) shall have no right to receive any dividend or other distribution;
- 28.3 the creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute or give on behalf of the holder of such shares a transfer thereof and/or a consent to the cancellation of the same and/or an agreement to transfer the same to such person or persons as the Company may determine as custodian thereof and/or purchase the same in accordance with the Act in any such case for not more than 1 penny for all the Deferred Shares registered in the name of any such holder without obtaining the sanction of such holder or holders and pending such transfer and/or purchase to retain the certificates (if any) in respect thereof;
- 28.4 the holders of Deferred Shares (in their capacity as such) shall be entitled to receive the nominal value for each share held only if the amount returned to each shareholder under article 3 is in excess of £1,000,000 per share held.