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COMPANIES FORM No. 123

Notice of increase in nominal capital

123

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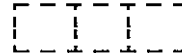
Pursuant to section 123 of the Companies Act 1985

To the Registrar of Companies

For official use

Company number

Please complete
legibly, preferably
in black type, or
bold block lettering



3756817

Name of company

*ENDLOCK LIMITED

*insert full name
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated _____ the nominal capital of the company has been

increased by £ 9,000 beyond the registered capital of £ 1,000.

A copy of the resolution authorising the increase is attached.†

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new
shares have been or are to be issued are as follows:

The shares are subject to the conditions as set out in the Company's
Articles of Association.

Please tick here if
continued overleaf



Signed

Designation ‡

DIRECTOR

Date 21 MAY 1999

Presenter's name, address and
reference (if any):

Olswang
90 Long Acre
London
WC2E 9TT
DX 37972 KINGSWAY

REF:THP/MSA/PRD 6670.3

For official use

General Section

Post room



A40 *AE7NLGVE* 109
COMPANIES HOUSE 03/06/99

Company No. 3756817

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ENDLOCK LIMITED

incorporated on 21 April 1999

adopted by special resolution passed on 21 May 1999

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Company No. 3756817

**THE COMPANIES ACT 1985 AND 1989
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
ENDLOCK LIMITED**

Adopted by special resolution on 21 May 1999

1. DEFINITIONS

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

"Act"	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"Connected Persons"	as defined by section 839 Income and Corporation Taxes Act 1988;
"Controlling Interest"	an interest in shares (as defined in Schedule 13 Part 1 and section 324 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;
"Employee Member"	a person, firm or company who is or has been a director, employee and/or consultant of the Company or any of its subsidiaries, other than a Founder Member;
"Employee Trust"	a trust approved by the holders of 75% of the A ordinary shares and whose beneficiaries are the bona fide employees of the Company or any of its subsidiaries;
"Equity Shares"	the issued A ordinary shares and ordinary shares;
"Family Trust"	a trust which only permits the settled property or the income therefrom to be applied for the benefit of:

- (i) the settlor and/or Privileged Relation of that settlor; or
- (ii) 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 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 purposes of this definition "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

"Flotation"

the listing of shares of the Company on the Official List of the London Stock Exchange or the admission of shares to the Alternative Investment Market or the listing or admission of shares on any other recognised investment exchange or overseas investment exchange (as defined by section 207 of the Financial Services Act 1986);

"Founder Member"

Dr Yen Choo, Dr Timothy Brears or Professor Sir Aaron Klug (together **"Founder Members"**);

"Independent Expert"

an accountant (acting as an expert and not as an arbitrator) nominated by the Vendor (as defined in article 9.1) and the Company or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the Vendor or the Company;

"Investor"

UKMV Fund and any person who is or becomes an Investor for the purposes of a

shareholders' agreement between, inter alia, the Company and the Investor dated the same date as the adoption of these articles or any nominee of UKMV Fund or of any such person;

"member of an Investor's Group" the Investor and/or its nominees and all or any subsidiaries or holding companies for the time being of the Investor and any subsidiary of any such holding company as aforesaid, together with (if appropriate) all or any general partners, limited partners, carried interest partners, limited partnerships, investment trusts or investment companies or funds of or managed by the Investor or by any holding or subsidiary company or any subsidiary of a holding company of the Investor from time to time and any nominee of any of the foregoing and "Investor's Group" or "Group" shall be construed accordingly;

"MRC"

Medical Research Council;

"MVM"

MVM Limited;

"Privileged Relations"

the spouse or widow or widower of the settlor and the settlor's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the settlor's children and the spouse or widow or widower of any such child or grandchild;

"Sale"

an unconditional agreement giving rise to a change (whether by share transfer, new issue of shares or otherwise) in the ownership of the issued ordinary share capital of the Company where any person (whether alone or together with any associate) approved by holders of more than 50% of the A ordinary shares, other than a person who is the beneficial owner of shares in the Company at the date of adoption of these articles or an Investor, becomes the beneficial owner of a Controlling Interest in the Company;

"Table A"

Table A in the Companies (Tables A-F) Regulations 1985 as amended by the

Companies (Tables A-F) (Amendments)
Regulations 1985;

"Termination Date"

(i) where employment/consultancy ceases by virtue of notice given by the employer to the employee/consultant, the date on which such notice expires;

(ii) where a contract of employment/consultancy is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

(iii) where the Employee Member/Founder Member concerned is a director but not an employee or consultant, the date on which his contract for services with the Company is terminated; and

(iv) in any other case, the date on which the contract of employment/consultancy is terminated; and

"UKMV Fund"

UK Medical Ventures Fund No 1 Limited Partnership.

2. APPLICATION OF TABLE A

2.1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company.

2.2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

3. SHARE CAPITAL

The authorised share capital of the Company is £10,000 divided into:

400,000 A ordinary shares of 1 pence each;

600,000 ordinary shares of 1 pence each.

The rights attaching to the respective classes of shares shall be as follows:

3.1 Income

- 3.1.1 The profits of the Company available for distribution shall be used to pay dividends of such amounts as the directors may determine and recommend to the shareholders of the Company and such dividends shall be paid to the holders of the Equity Shares (pari passu as if the same constituted one class of share) in proportion to the number of Equity Shares held by them respectively.
- 3.1.2 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time and to the extent that it may lawfully do so declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any dividend.

3.2 Capital

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

- 3.2.1 first in paying to the holders of the Equity Shares the amount of any premium paid thereon, each such payment being calculated on a pro rata basis as a proportion of the Company's total share premium account; and
- 3.2.2 second in paying to the holders of the Equity Shares the par value of the Equity Shares; and
- 3.2.3 the balance of such assets shall be distributed amongst the holders of the Equity Shares pari passu as if the same constituted one class of share.

4. CONVERSION OF A ORDINARY SHARES

- 4.1 Any holder of A ordinary shares may at any time convert the whole of its A ordinary shares into a like number of fully paid ordinary shares. The following provisions of this article shall apply to the conversion.
- 4.2 The conversion shall be effected by notice in writing given to the Company signed by the relevant holder of A ordinary shares. The conversion shall take effect immediately upon the date of delivery of such notice to the Company (unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions have been fulfilled).
- 4.3 In addition, immediately prior to a Flotation or Sale (but conditionally upon such Flotation being obtained or such Sale taking place) each A ordinary share then in issue shall be automatically converted into one fully paid ordinary share.
- 4.4 In the event of an issue of ordinary shares by way of capitalisation of profits or reserves, or by way of rights or consolidation or sub-division or reduction of

capital of the Company, then the definition of ordinary shares and the number of ordinary shares the subject of conversion rights pursuant to this article shall immediately be adjusted in such reasonable manner as the auditors of the Company from time to time shall determine in writing.

- 4.5 Forthwith after conversion takes effect each holder of the resulting ordinary shares shall send to the Company the certificate(s) in respect of its holding of A ordinary shares. Following receipt of the certificate for the A ordinary shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to such holder certificate(s) for the ordinary shares resulting from the conversion.
- 4.6 The ordinary shares resulting from the conversion shall rank from the date of conversion *pari passu* in all respects with the other ordinary shares in the capital of the Company.

5. **VOTING**

Shares in the Company shall carry votes as follows:

ordinary shares : one vote per share

A ordinary shares : one vote per share

Votes on shares may be exercised:

- 5.1 on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each member holding shares with votes shall have one vote);
- 5.2 on a poll by every member 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 with votes shall have one vote for each such share held).

6. **CLASS RIGHTS**

- 6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either while the Company is a going concern or during or in contemplation of a winding up, only with the consent in writing of holders of not less than 75% of the issued shares of that class. Without prejudice to the generality of this article, the special rights attached to the A ordinary shares shall be deemed to be varied:

6.1.1 by the Company:

6.1.1.1 altering its memorandum or articles of association; or

- 6.1.1.2 varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company; or
 - 6.1.1.3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company; or
 - 6.1.1.4 entering into a contract to purchase any of its shares; or
 - 6.1.1.5 redeeming any of its shares; or
 - 6.1.1.6 passing a resolution that it be wound up; or
 - 6.1.1.7 appointing or removing its auditors; or
- 6.1.2 by the Company or any of its subsidiaries:
 - 6.1.2.1 altering, increasing, reducing, subdividing or consolidating its authorised or issued share capital; or
 - 6.1.2.2 granting any option or other right to subscribe for shares; or
 - 6.1.2.3 disposing of its undertaking or any substantial part thereof; or
 - 6.1.2.4 disposing of or acquiring any interest in any share in the capital of any company.
- 6.2 Sections 89 and 90 of the Act shall apply to the Company as though the Equity Shares constitute one class of share but the special rights attached to each of the A ordinary shares and the ordinary shares shall be deemed to be varied by any disapplication, exclusion, limitation or variation of the provisions of section 89 of the Act.

7. 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 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.

8. PERMITTED AND MANDATORY TRANSFERS

8.1 Permitted transfers to relations and Family Trust

Notwithstanding any other provision in these articles, any member 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 or to trustees to be held upon a Family Trust of which he is the settlor provided that any transfer of shares to trustees to be held upon a Family Trust made during the lifetime of such member may only be made with the consent in writing of the holders of more than 50% of the A ordinary shares.

8.2 Criteria for Consents to Family Trusts

Where the consent of the holders of A ordinary shares is requested to a transfer to a Family Trust, such consent shall be given when the holders are satisfied:

- 8.2.1 with the terms of the trust instrument and in particular with the powers of the trustees;
- 8.2.2 with the identity of the proposed trustees;
- 8.2.3 that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 8.2.4 that no costs incurred in connection with the setting-up or administration of the Family Trust in question are to be paid by the Company.

8.3 Permitted Transfers by Family Trusts

Where any shares are held by trustees upon a Family Trust:

- 8.3.1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- 8.3.2 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.

8.4 Mandatory transfer if trust ceases to be a Family Trust

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), a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) 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.

8.5 Permitted Transfers by Investors

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: any transfer by any member of an Investor's Group of any or all of the shares held by that Investor to any other member in the same Investors' 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).

8.6 Permitted Transfers by Employee Trust

Where any shares are held by trustees upon an Employee Trust:

- 8.6.1 on any change of trustees such shares may be transferred to the new trustees of that Employee Trust;
- 8.6.2 such shares may be transferred at any time to any beneficiary of that Employee Trust.

8.7 Transfers with Shareholder Approval

Notwithstanding any other provisions of these articles but without prejudice to article 9, a transfer of any ordinary shares (other than ordinary shares, if any, from time to time held by the holders of the A ordinary shares) approved by the holders of more than 50% of the A ordinary shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

In the event that the holders of more than 50% of the A ordinary shares approve a transfer of not more than 50% of the shares held by MRC to the MRC Collaborative Centre (which consent may be withheld if, in the absolute discretion of the holders of A ordinary shares, it is considered that there are reasonable grounds to do so) the provisions of Article 9 shall not apply to such transfer and, for the purposes of these Articles (and Article 12.3 in particular), the number of shares held from time to time by the MRC Collaborative Centre shall be deemed aggregated with those held by MRC.

8.8 Mandatory transfer on cessation of employment

- 8.8.1 If, within four years of the adoption of these articles in the case of Dr Choo and Dr Brears, or three years in the case of Professor Klug, a Founder Member ceases to be a director, employee or consultant of the Company or any of its subsidiaries by reason of voluntary resignation/termination of agreement as director, employee or consultant of the Company or any of its subsidiaries (unless such

resignation/termination is with the mutual consent of the Company) and does not continue in that capacity in relation to any of them, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of such number of shares held by the Founder Member immediately before such cessation, including any shares held by the Founder's Privileged Relations and/or Family Trusts and/or any other trust established by the Founder (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Founder, and the decision of the board of directors in this respect will be final) as shall be calculated as follows:

in the case of Dr Choo and Dr Brears:

(if such cessation occurs less than two years after the adoption of these articles):

$$A - \left[0.333x \left((0.2xA) + \left(\frac{((0.8xA)xB)}{48} \right) \right) \right]$$

(if such cessation occurs two years or more but less than four years after the date of adoption of these article):

$$A - \left[0.5x \left((0.2xA) + \left(\frac{((0.8xA)xB)}{48} \right) \right) \right]$$

in the case of Professor Klug:

$$A - \left((0.2xA) + \left(\frac{((0.8xA)xB)}{36} \right) \right)$$

Where:

A is the number of shares held by the Founder Member;

B is the number of completed months since the date of adoption of these articles.

8.8.2 If, within four years of the adoption of these articles in the case of Dr Choo and Dr Brears, or three years in the case of Professor Klug, a Founder Member ceases to be a director, employee or consultant of the Company or any of its subsidiaries for any reason other than as stated in article 8.8.1 and does not continue in that capacity in relation to any of them, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of such number of shares held by the Founder Member immediately before such cessation, including any shares held by the Founder's Privileged Relations and/or Family Trusts

and/or any other trust established by the Founder (other than shares which the directors are satisfied were not issued to or acquired by such holders by reason of their connection with the Founder, and the decision of the board of directors in this respect will be final) as shall be calculated as follows:

in the case of Dr Choo and Dr Brears:

$$A - \left((0.2xA) + \left(\frac{((0.8xA)x(C + 24))}{48} \right) \right)$$

in the case of Professor Klug:

$$A - \left((0.2xA) + \left(\frac{((0.8xA)x(C + 12))}{36} \right) \right)$$

Where:

A is the number of shares held by the Founder Member;

C is the number of completed months since the date of adoption of these articles, subject to a maximum of 24.

8.8.3 Notwithstanding article 8.8.1, in the event that Dr Brears is replaced as chief executive officer of the Company, but remains as director, employee or consultant of the Company or any of its subsidiaries, the mandatory transfer provisions contained in article 8.8.1 will be deemed to be varied in respect of Dr Brears so that the mandatory transfer provisions apply for the three year period after the adoption of these articles and, accordingly, the calculations in those articles shall be amended appropriately. For the avoidance of doubt, in respect of Dr Brears, in article 8.8.1 the divisor "48" shall be replaced with "36" and that article shall only apply for 3 years after the date of adoption of these articles.

8.8.4 If, within 5 years of the date of commencement of being a director, employee or consultant of the Company or any of its subsidiaries, an Employee Member ceases to be a director, employee or consultant of the Company or any of its subsidiaries and does not continue in that capacity in relation to any of them, Transfer Notices shall be deemed to have been served on the relevant Termination Date in respect of 80% of the shares held by the Employee Member immediately before such cessation.

8.8.5 Notwithstanding articles 8.8.1 and 8.8.3, on a Flotation or Sale being concluded articles 8.8.1 and 8.8.3 shall cease to have any force or effect.

8.8.6 Transfers under this article 8.8 are, in these articles, referred to as Compulsory Employee Transfers.

9. PRE-EMPTION RIGHTS

9.1 Transfer Notices

Save as otherwise provided in these articles, every member who desires to transfer any shares (hereinafter called the "Vendor") shall give to the Company notice in writing of such desire (in these articles called a "Transfer Notice"). Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice. Subject as hereinafter mentioned, a Transfer Notice and a Deemed Transfer Notice shall constitute the Company as the Vendor's agent for the sale of the shares specified therein (hereinafter called the "Sale Shares") in one or more lots at the discretion of the directors at the Sale Price (as agreed or certified pursuant to article 9.2). Neither a Transfer Notice nor a Deemed Transfer Notice once given shall be capable of being revoked (except as provided for in article 9.5 or, in the case of a Transfer Notice only, with the prior written consent of a majority of the directors).

9.2 Calculation of the Sale Price

The Sale Price shall be the price agreed by the Vendor and the directors. If the Vendor and the directors are unable to agree a price within 28 days of the Transfer Notice being given or being deemed to have been given, the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair market value thereof. In arriving at this opinion, the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority or majority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall, in the absence of manifest error, be final and binding.

9.3 Restriction of Sale Price for certain transfers by Founder and Employee Members

In the case of Compulsory Employee Transfers, the Sale Price shall be restricted to a maximum of the amount paid up or credited as paid up on any share (including the full amount of any premium paid thereon).

9.4 Right of Vendor to Reject Partial Sale

A Transfer Notice (but not 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. Any such provision shall be binding on the Company.

9.5 Certification of the Sale Price and Right of Vendor to Cancel

If the Independent Expert is asked to certify the Sale Price his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. The Vendor shall be entitled, by notice in writing given to the Company within 10 days of the service upon him of the copy certificate, to revoke the Transfer Notice, unless the shares are to be sold pursuant to a Deemed Transfer Notice. The Vendor shall pay the cost of obtaining the certificate.

9.6 Pre-emptive Offers - General

Upon the Sale Price being agreed or certified by the Independent Expert then, unless the Vendor validly revokes the Transfer Notice, the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares.

9.7 Preliminary offer to a "Warehouse"

Unless the holders of more than 50% of the A ordinary shares agree otherwise, any shares being sold by reason of a Compulsory Employee Transfer shall first be offered to an Employee Trust. Any shares not sold under this sub-article within 21 days of such offer will be offered for sale to the members of the Company as set out below.

9.8 First Offer

As soon as Sale Shares become available they shall be forthwith offered for sale by notice in writing (the "Offer Notice") by the Company to all holders of Equity Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Equity Shares held by such members. Any offer made by the Company under this article 9.8 will invite the relevant members to state in writing the maximum number of the shares offered to them they wish to purchase and will remain open for 21 days (the "First Offer Period") from the date of the Offer Notice.

9.9 Second Offer

If, at the end of the First Offer Period, there are any Sale Shares offered which have not been allocated, the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. This offer will invite the relevant members to state in writing the maximum number of shares they wish to purchase. If there are insufficient Sale Shares to meet the demand then the directors will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of Equity Shares held by the relevant members. This offer will remain open for a further period of 21 days. Thereafter the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

9.10 Transfer Procedure for Pre-emptive Offers

If the Company finds a purchaser(s) for all or any of the Sale Shares under the terms of this article the Company shall notify the Vendor in writing of the Sale Shares for which the Company has found a purchaser. If the Company finds a purchaser(s) 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 purchaser(s)) to such purchaser(s). If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons 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 purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them subject only to such transfer having been duly stamped. The Company shall procure that the purchase money is paid into a separate bank account in the Company's name and shall hold such money in trust for the Vendor, until the Vendor shall deliver up the certificate or certificates for the Sale Shares to the Company (or an indemnity in respect thereof reasonably satisfactory to the Company), when he shall thereupon be paid the purchase money. The Company shall have no liability to pay or account for any interest on any such monies. If the Transfer Notice contains a 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.

9.11 Transfers Free of Pre-emption

If the Company does not find purchasers for all of the Sale Shares under the terms of this article 9 the Vendor shall, at any time within six months after the final offer by the Company to its members, 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 the Sale Shares) to any person at a price which is no less than the Sale Price. However, if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.

9.12 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.

10. TRANSFER OF CONTROL

10.1 Transfers Prohibited Absolutely

No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company in which one or more of the members of the Company (or persons acting in concert with them) has a Controlling Interest.

10.2 Transfers Permitted Where Offer is Made for A Ordinary Shares and Ordinary Shares

No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the holders of more than 50% of the A ordinary shares, if as a result of such sale or transfer and registration thereof an interest in at least 19.9% of the Equity Shares would be obtained in the Company by a person or persons who are not Original Members, unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or have offered to purchase all the A ordinary shares and the ordinary shares at the same price.

If any part of the price is to be paid except by cash then the holders of the A ordinary shares and the ordinary shares may, at their option, elect to take a price per share of such cash sum as may be agreed by them and the proposed transferee having regard to the transaction as a whole.

10.3 Compulsory Purchases

If an offeror for shares in the Company makes an offer to all the members of the Company, which is acceptable to the holders of more than 50% of the A ordinary shares, then provided that the offer is a bona fide offer on arm's length terms to acquire all shares in the Company, which provides fair market value:

- 10.3.1 such offeror may give notice to any non-accepting holder of Equity 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 Equity Shares 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;
- 10.3.2 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;
- 10.3.3 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 of the Company 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 member's share certificate(s) has/have not been produced;

- 10.3.4 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.

Where any Founder Member or the MRC disputes that the offer referred to in this article 10.3 constitutes fair market value he shall, within 7 days of receiving the notice referred to in article 10.3.1, notify the Company of his objections. In the absence of agreement with the objecting member, the remaining provisions of this article 10.3 shall be suspended in respect of the offer unless an Independent Expert (to be appointed in a manner consistent with article 9.2) shall certify that in his opinion the terms of the offer constitute fair market value for the relevant shares.

10.4 Interpretation

In this article:

- 10.4.1 the expression "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment;
- 10.4.2 the expression "shares" includes bearer shares, depository receipts and any other security or instrument into which shares may be converted with a view to a sale;
- 10.4.3 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.

10.5 Primacy of Article

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 this article.

11. APPOINTMENT OF DIRECTORS

The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director.

12. SPECIAL DIRECTORS

- 12.1 Notwithstanding any other provisions of these articles and for as long as MVM or any member of the Investor's Group holds 5% or more of the Equity Shares, MVM shall be entitled to appoint as a director of the Company any person (each such person being herein referred to as a "Special Director") approved by the directors (whose approval shall not be unreasonably withheld or delayed) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place.
- 12.2 Notwithstanding any other provisions of these articles and for as long as MVM holds 20% or more of the Equity Shares, MVM shall be entitled to appoint as a

further director (that is, MVM may appoint two directors in total) of the Company any person (each such person being herein referred to as a "Special Director") approved by the directors (whose approval shall not be unreasonably withheld or delayed) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place.

- 12.3 Notwithstanding any other provisions of these articles and for as long as the MRC holds 5% or more of the Equity Shares, the MRC shall be entitled to appoint as a director of the Company any person approved by the directors (whose approval shall not be unreasonably withheld or delayed) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place.
- 12.4 Upon request by MVM, the directors shall also procure that any one of the Special Directors nominated by MVM is appointed and acts as Chairman of the board of directors of the Company and/or as a member of the remuneration committee (and any other committee) of the board of directors of the Company.
- 12.5 No business transacted at a meeting of the directors shall be valid unless at least 7 days' prior written notice of such meeting shall have been served on the Special Directors or (if none have been appointed) on the Investors or such notice has been waived in writing by a Special Director in respect of the relevant Investor or (if none have been appointed) by the Investor and unless (if appointed) at least one of the Special Directors is present in person or by his alternate (unless he shall have previously waived in writing the requirement of his attendance in relation to that meeting). If a Special Director is not present notwithstanding such notice (unless waived as aforesaid), then the meeting shall stand adjourned for a period of not less than 2 days to such time and place as those directors present shall agree and notify to the Special Directors. If no Special Director attends such adjourned meeting whether in person or by his alternate the meeting may notwithstanding proceed.
- 12.6 Subject to article 12.5, the directors may fix the quorum for the transaction of the business of the Directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
- 12.7 Upon request by the relevant Investor, the Company shall also procure that the Special Director appointed by them be appointed a director to any subsidiary of the Company.

13. MEETINGS OF DIRECTORS

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 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. Meetings of the directors may be held by conference telephone or similar

equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.

14. DIRECTORS' CONFLICTS OF INTEREST

14.1 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:

14.1.1 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;

14.1.2 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;

14.1.3 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;

14.1.4 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

14.1.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this article.

14.2 For the purposes of this article:

14.2.1 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 or 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;

14.2.2 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

14.2.3 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.

15. **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.

16. **CALLS**

16.1 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".

16.2 Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and regulation 101 of Table A shall be modified by the insertion of the words "if the Company has one," after the words "The seal" at the beginning of that regulation.

17. **INDEMNITY**

17.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

17.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.