

PRIVATE COMPANY LIMITED BY SHARES

Written Resolutions

of

INSTRUMENTEL LIMITED (the "Company")

Company No. 4325633

Passed on 7 April 2009

The following resolutions were duly passed as an ordinary resolution and special resolutions on 7 April 2009 by way of written resolutions under Chapter 2 of Part 13 of the Companies Act 2006.

ORDINARY RESOLUTION

1. That 40,220 authorised but unissued ordinary shares of £0.10 each in the capital of the Company be consolidated into 4,022 ordinary shares of £1 each and then redesignated as 4,022 preference shares of £1 each, such shares to confer on the holder the rights and restrictions set out in the articles of association of the Company to be adopted pursuant to Resolution 3 below.

SPECIAL RESOLUTIONS

2. That pursuant to and in accordance with section 95 of the Act the directors be and they are hereby empowered to allot equity securities (as defined in section 94 of the Act) pursuant to the authority given by Article 3.2 of the Company's articles of association to be adopted pursuant to Resolution 3 below as if section 89(1) of the Act did not apply to such allotment.
3. That regulations contained in the printed document attached to this resolution be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association thereof.

Signed 

Director



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08/04/2009
COMPANIES HOUSE

Company number: 4325633

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

INSTRUMENTEL LIMITED

Adopted by special resolution on 7 April 2009





1 Definitions

1.1 In these articles the following words and phrases have the meanings set out opposite them below:

'WR	White Rose Technology Limited (and 'a member of the WR Group' shall mean WR, any subsidiary of WR and any company of which WR is a subsidiary).
'WR Director'	any director appointed by WR pursuant to Clause 5.2 of the Investment Agreement.
'WR Share'	the share to be allotted to WR under these articles having the rights set out in Article 5
'the 1985 Act'	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force.
'the 2006 Act'	the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force.
'Benefits'	all salary and all items included as 'emoluments' in paragraph 1(4) of Schedule 6 of the 1985 Act.
'Observer'	means any person appointed by WR as an observer pursuant to the Investment Agreement.
'Connected Persons'	as defined by section 839 Income and Corporation Taxes Act 1988.
'Controlling Interest'	an interest in shares (as defined in Schedule 1 of the 2006 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 who is or has been a director and/or an employee of the Company or any of its subsidiaries or provides services

'Fund Manager'

to the Company whether or not remaining an employee of a third party.

the fund manager of WR from time to time, which at the date of adoption of these Articles, is Aberdeen Asset Managers Limited (Company number SC108419) whose registered office is at 10 Queen's Terrace, Aberdeen, AB10 11G.

'Fund Manager Group'

means the Fund Manager and any Group Company of the Fund Manager.

'Group Company'

means a company and any subsidiary of such company or any holding company of such company and any subsidiary of such holding company and "member of the group" or "Group Company" shall be construed accordingly.

'Ordinary Shares'

Ordinary Shares of 10p each in the capital of the Company.

'Independent Expert'

an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales.

'Investment Agreement'

an investment agreement made on the date of the adoption of these Articles between the Company, Dr Gregory Douglas Horler, WR and the University.

'Original Members'

persons who were members of the Company on 6 December 2001 and the Privileged Relations of such members.

‘Preference Shares’	Preference Shares of £1 each in the capital of the Company.
‘Privileged Relations’	the spouse or widow or widower of the member and the member's parents, siblings, children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.
‘Quotation’	means the admission of any or all of any class of the issued share capital of the Company to the Official List of the London Stock Exchange plc, or to trading on the Alternative Investment Market of the London Stock Exchange, or on any other Recognised Investment Exchange.
‘Recognised Investment Exchange’	means as defined by section 285 of the Financial Services and Markets Act 2000.
‘Relevant Directors’	the directors and former directors of the Company and its subsidiaries (but only if such directors or former directors or their Connected Persons are interested in shares in the Company) and their Connected Persons but excluding any director appointed by WR.
‘Sale’	means the completion of a transaction or series of transactions whereby 90% or more of the issued equity share capital of the Company is sold to a single buyer or to one or more persons connected to each other and/or the disposal by the Company of all, or a substantial part of, its business and assets.
‘Share Option Schemes’	share option schemes for employees of the Company for the grant of options of up to 1,005 Ordinary Shares in the capital of 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 the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Table A to F) (Amendment) (No. 2) Regulations 2007) in force at the time of adoption of these Articles.

'Termination Date'

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

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

(c) where the Employee Member concerned is not an employee of the Company, the date on which his contract for services with the Company is terminated or he ceases to provide services to the Company; and

(d) in any other case, the date on which the contract of employment is terminated.

'the University'

Leeds University.

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*

- 3.1 The authorised share capital of the Company at the adoption of these articles is £100,001, divided into 959,780 Ordinary Shares, one WR Share of £1 and 4,022 Preference Shares.
- 3.2 The Directors are generally and unconditionally authorised for the purposes of Section 80 of the 1985 Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to £4,350.40 at the date of the adoption of these articles at any time or times during the five year period from such date and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in general meeting.

4 *Return of Capital/Redemption*

- 4.1 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 applied in the following order of priority:-
- 4.1.1 in paying to the holders of the Preference Shares the amount of £37.30 per Preference Share; and
- 4.1.2 the balance of such assets shall be distributed amongst the holders of the Ordinary Shares and the holders of the Preference Shares according to the number of Preference Shares and/or Ordinary Shares held by them respectively as a percentage of the total number of Preference Shares and Ordinary Shares in issue.
- 4.2
- 4.2.1 On a Sale the following provisions of this Article 4.2 shall apply to determine the allocation of the proceeds of such Sale. For the avoidance of doubt any loans owing to WR at the time of the Sale shall be required to be repaid.
- 4.2.2 The shareholders selling Ordinary Shares and/or Preference Shares shall (unless otherwise agreed by WR) pay the proceeds thereof into a

joint account at a UK clearing bank nominated by WR immediately prior to the Sale and such proceeds shall as between the shareholders be allocated and paid to them in paying to each holder of Preference Shares £37.30 per Preference Share; and, thereafter in distributing the balance amongst the holders of the Ordinary Shares and the Preference Shares (pari passu as if the same constituted one class of Share) in proportion to the number of such shares held by each shareholder as a percentage of the total number of Ordinary Shares and Preference Shares being sold.

- 4.3 Immediately prior to and conditionally upon a Quotation the shareholders shall enter into such reorganisation of the share capital of the Company as they may agree, to ensure that the realisation value is reallocated between the shareholders in the same proportions as the preceding provisions of Article 4.2 would provide on a Sale at that realisation value. In the event that the parties cannot agree the terms of the reorganisation within 10 business days of notification from the Company or one or more of its shareholders that a Quotation is proposed, then any shareholder or the Company may refer the matter in dispute to the auditor for the time being of the Company. In the event that the auditor cannot act, the parties shall agree an independent chartered accountant (in default of agreement within 5 business days of the auditor refusing to act, to be nominated by the President for the time being of the Chartered Institute of Chartered Accountants in England and Wales) to act as an expert for the purposes of determining the reorganisation of the share capital in accordance with the terms of this Article 4.3. Any determination by the auditor or independent accountant shall be binding on all parties.
- 4.4 The Preference Shares shall not be redeemed without the prior written consent of WR.

5 *WR Share*

- 5.1 In the event that there is any default by the Company in the repayment of any moneys or loans due by the Company to WR in accordance with the terms of a loan agreement dated 6 December 2001 as amended (in that the Company fails to pay all moneys due within 14 days of receipt of a written demand from WR) then the rights attaching to the WR Share, for so long as the default continues, shall be as follows:-
- 5.1.1 The right to call, attend, and vote at any general meeting of the members, or meeting of the directors of the Company;
- 5.1.2 The right to convene the Annual General Meeting of the Company in the event that it has not been duly convened and held within 4 months of the end of any accounting reference period of the Company.
- 5.1.3 The quorum for any general meeting or meeting of the directors of the Company shall be one member or director if that member is WR or that director is a representative of WR.

- 5.1.4 If any resolution is to be proposed at any general meeting or meeting of the directors of the Company whilst the Company is still indebted to WR as more particularly set out in this Article 5 then in such circumstances the WR Share and/or WR nominee director shall have one vote more than the total number of votes cast by all other members/directors of the Company in respect of such resolution.
- 5.2 The WR Share may be freely transferred or passed by transmission to any company within the WR group of companies from time to time or nominated by WR provided such company is controlled by WR without the directors of the Company being entitled to object to the registration of the transferee except on the grounds that the transfer does not comply with any statutory requirement
- 5.3 On a liquidation or repayment of capital the WR Share shall carry the right to receive the sum of £1 in preference to any repayment of capital on the Ordinary Shares
- 5.4 Save as set out in this Article 5 there are no rights to participate in any dividend or distribution

6 *Voting*

- 6.1 Each Ordinary Share in the Company shall carry one vote per share
- 6.2 Votes on shares may be exercised:
- 6.2.1 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)
- 6.2.2 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).
- 6.3 The holders of the Preference Shares shall have the right to receive notice of, and to attend, all General Meetings of the Company but shall have no right to vote thereat.

7 *Transfer of shares*

- 7.1 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

Permitted transfer to relations

- 8.1 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.

Permitted transfers by WR

- 8.2 Notwithstanding any other provisions of these articles a transfer of any shares in the Company held by any member of the WR Group may be made between the member in the WR Group holding such shares and any other member in WR Group without restriction as to price or otherwise and any such transfer shall be registered by the directors. If any such transferee ceases to be a member of the WR Group it shall forthwith transfer the relevant shares to a member of the WR Group.
- 8.3 WR shall be entitled at its sole discretion to transfer up to 10% of the Ordinary Shares and 10% of the Preference Shares held by it to the Fund Manager.
- 8.4 The University shall be entitled at its sole discretion to transfer Ordinary Shares to any company in which it is a majority shareholder or any other body (corporate or unincorporated) established by it to hold and manage shares in trading companies.

Mandatory transfer on cessation of employment

- 8.5 Save as provided in article 8.5A below, if an Employee Member is no longer either a director or employee of the Company or any of its subsidiaries and does not continue in either capacity in relation to any of them, or ceases to provide any services to the Company then, at the discretion of the directors of the Company, a Deemed Transfer Notice (as defined in Article 9.1 below) shall be deemed to have been served on the relevant Termination Date in respect of:
- 8.5.1 all shares held by the Employee Member immediately before the relevant Termination Date ; and
- 8.5.2 all shares then held by the Employee Member's Privileged Relations (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the board of directors in this respect will be final).

Transfers under this sub-article are in these articles referred to as Compulsory Employee Transfers.

8.5A Article 8.5 shall not apply to such percentage of the Ordinary Shares held by Dr Gregory Horler as provided below:

8.5A.1 66.67% of the Ordinary Shares, where the relevant Termination Date falls on or after 4 October 2008 and before 4 October 2009; and

8.5A.2 100% of the Ordinary Shares, where the relevant Termination Date falls on or after 4 October 2009;

but only to the extent such Ordinary Shares were acquired by Dr Gregory Horler on or before 31 December 2008 or pursuant to an option granted by the Company before such date.

Mandatory transfer on change of control of shareholder

8.6 If a corporate member ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name; provided that this sub-article shall have no application to WR or to any member of the WR Group or AAM or to the University.

9 *Pre-emption rights*

Transfer notices

9.1 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 to that effect (hereinafter called a 'Transfer Notice'). Where there is a Compulsory Employee Transfer in respect of an Employee Member such Employee Member (also hereinafter included in the term 'Vendor') shall be deemed to have given written notice to the Company (in these articles called a 'Deemed Transfer Notice'). A Transfer Notice or a Deemed Transfer Notice shall constitute the Company 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.

Calculation of the Sale Price

9.2 The Sale Price shall be such price as is agreed between the Vendor and the Company. If the parties fail to agree within 28 days of the Transfer Notice being given or the Deemed Transfer Notice being deemed to have been given the Sale Price shall be instead such price as an Independent Expert shall certify to be in his opinion a fair value thereof.

9.3 In arriving at his opinion the Independent Expert will value the shares on a going concern basis as between a willing seller and a willing buyer and on the assumption that the Sale Shares are capable of transfer without restriction, as follows:-

- 9.3.1 in the case of a Deemed Transfer Notice, where an Employee Member leaves on or after 4 July 2010 or he leaves due to ill-health, retirement (at the age of 65 or greater or by agreement with the Board), death or redundancy, or if the Board so decide, then the price to be paid for the shares will be the fair value ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest;
- 9.3.2 In the case of a Deemed Transfer Notice, where an Employee Member leaves the Company otherwise than as set out in clause 9.3.1 the price to be ascribed to the Sale Shares shall be the lower of market value and the price paid at subscription; and
- 9.3.3 in any other case, then the price to be paid for the shares will be the fair value ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest
- 9.4 The decision of the Independent Expert as to the Sale Price shall be final and binding.
- 9.5 If an Employee Member or other shareholder, including any Employee Member's Privileged Relation, having become bound under these Articles to transfer shares in the Company makes default in transferring the same the Secretary shall be authorised (and shall be deemed to be the attorney of the Employee member or Employee Member's Privileged Relation for the purpose) to execute the necessary instrument of transfer of such shares and may deliver it on behalf of the Employee Member or Employee Member's Privileged Relation and the Company may receive the purchase money and thereafter (subject to the instrument being duly stamped) cause the transferee to be registered as the holder of such shares and shall hold such purchase money on behalf of the Employee Member or Employee Member's Privileged Relation. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company shall be a good discharge to the transferee who shall not be bound to see the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

Certification of the Sale Price

- 9.6 If the Independent Expert is asked to certify the fair value 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 cost of obtaining the certificate shall be paid by the Vendor save where the certificate is obtained in connection with a Deemed Transfer Notice in which case the cost shall be borne by the Company.

Pre-emptive offers-general

- 9.7 Once the Sale Price has been determined then 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.

First Offer

- 9.8 As soon as Sale Shares become available they shall be forthwith offered for sale by the Company to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be to the respective numbers of Ordinary Shares held by such members.

Any offer made by the Company under this sub-article 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').

Second Offer

- 9.9 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 Ordinary 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.

Transfer procedure for pre-emptive offers

- 9.10 If the Company finds a purchaser for all or any of the Sale Shares under the terms of this article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor 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.

Effect of non-compliance

- 9.11 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

Transfers permitted where offer is made for Ordinary Shares

10.1 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 WR if as a result of such sale or transfer and registration thereof a Controlling Interest of the equity share capital of the Company would be obtained 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

10.1.1 to purchase all the Ordinary Shares at the Specified Price ;

10.1.2 to purchase all the Preference Shares at a price of £37.30 per share or if higher the Specified Price; and

10.1.3 to repay or procure the repayment of all sums then owed or repayable to WR.

Calculation of the Specified Price

10.2 In this article the 'Specified Price' means the greater of:

10.2.1 **10p** per share, and

10.2.2 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares being acquired, plus

the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable.

10.3 In the event of disagreement the calculation of the Specified Price shall be referred to an Independent Expert whose decision shall in the absence of manifest error be final and binding.

Interpretation

10.4 In this article:

10.4.1 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;

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.

Primacy of Article

10.5 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 10.

11 Forced Sale Provisions

11.1 If WR wish to transfer all its interest in shares in the capital of the Company (the "Sellers' Shares") to a proposed purchaser, WR shall have the option (the "Drag Along Option") to require all the other holders of shares (the "Called Shareholders") to sell and transfer all their shares in the capital of the Company to the proposed purchaser or as the proposed purchaser shall direct in accordance with the provisions of this Article.

11.2 WR may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the proposed purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "Called Shares") under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.

11.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by WR to the proposed purchaser within 40 Business Days after the date of service of the Drag Along Notice. WR shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

11.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that specified in the Drag Along Notice being a price per Share which is equivalent to the price per share at which WR intends to sell the Seller's Shares to the proposed purchaser.

11.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

11.6 Within five Business Days of WR serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their shares in favour of the proposed purchaser or as the proposed purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the proposed purchaser, the amounts they are due pursuant to Article 11.4 to the extent the proposed purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 11.4

shall be a good discharge to the proposed purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 11.4 in trust for the Called Shareholders without any obligation to pay interest.

- 11.7 To the extent that the proposed purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 11.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant shares and the Called Shareholders shall have no further rights or obligations under this Article 11 in respect of their shares.
- 11.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the proposed purchaser, authorise any Director to transfer the Called Shareholder's shares on the Called Shareholder's behalf to the proposed purchaser (or its nominee(s)) to the extent the proposed purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 11.4 for the Called Shareholder's shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 11.4.
- 11.9 Any transfer of shares to a proposed purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 9.
- 11.10 On any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all shares so acquired to the proposed purchaser or as the proposed purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

12 Share Options

- 12.1 Any awards under the employee Share Option Scheme shall require the approval of WR.
- 12.2 Notwithstanding any other provision of these Articles, Ordinary Shares to be issued to employees pursuant to 12.1 above shall not be subject to any right of pre-emption.

13 *WR and the University appointees*

- 13.1 Notwithstanding any other provisions of these articles, so long as WR is the holder of ordinary shares constituting not less than 5% of the issued ordinary share capital of the Company, it shall be entitled to appoint as a director of the Company any person approved by the directors (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place at a level of remuneration to be agreed by the Company and the WR appointee. The reasonable expenses to be paid to the WR appointee shall be payable by the Company. Upon request by WR the Company shall also procure that the WR appointee be appointed a director to any subsidiary of the Company.
- 13.2 Notwithstanding any other provisions of these articles, so long as the University is the holder of ordinary shares constituting not less than 10% of the issued ordinary share capital of the Company, it shall be entitled to appoint as a director of the Company any person approved by the directors (whose approval shall not be unreasonably withheld) and to remove from office any person so appointed and (subject to such approval) to appoint another person in his place. Upon request by WR the Company shall also procure that the University appointee be appointed a director to any subsidiary of the Company. No fee or expenses shall be payable to such director.
- 13.3 Upon request by the University and WR the directors shall procure that such of the directors as is nominated by the University and WR is appointed and acts as Chairman of the board of directors of the Company.

14 *WR observer*

- 14.1 The Observer shall have the rights set out in the Investment Agreement.

15 *Meetings of directors*

- 15.1 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.
- 15.2 The quorum for any meeting of the Directors shall be three directors, one of which must be the Chairman of the Company.

16 *Directors' conflicts of interest*

- 16.1 Subject to the provision of the 2006 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:-

- 16.1.1 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;
 - 16.1.2 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;
 - 16.1.3 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;
 - 16.1.4 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
 - 16.1.5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this article.
- 16.2 For the purposes of this article.-
- 16.2.1 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 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;
 - 16.2.2 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
 - 16.2.3 an interest of a person who is for any purpose of the 2006 Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 16.3 The directors shall be entitled to authorise one of their number to be in a situation where that director has or can have a direct or indirect interest or duty that conflicts or may possibly conflict with the interests of the company. The authorisation may be on such terms as are determined by the directors and may be subject to conditions. A director seeking such authorisation shall not be entitled to vote or be counted in the quorum in relation to any meeting of the directors at which the matter is considered.

17 Lien

- 17.1 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.

18 Calls

- 18.1 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.

19 Seal

- 19.1 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.

20 Indemnity

- 20.1 Subject to the provisions of the 2006 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.
- 20.2 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.