

No. 4760930

**The Companies Act 1985**

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**Company limited by shares**

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**Written resolution**

of

Radiation Watch Limited (the "Company")

passed on *16 March* 2005



Pursuant to the Articles of Association of the Company we, the undersigned, being all the Members of the Company for the time being entitled to receive notice of and to attend and vote at General Meetings of the Company hereby resolve as follows:

**Special Resolution**

1. **Increase in share capital**

**That** the authorised share capital of the company be and it is increased from £146,000 to £246,000 by the creation of 2,000,000 A Preferred Ordinary shares of 5 pence each, in addition to the existing share capital of the company and having the rights set out in the articles of association to be adopted by the company pursuant to resolution 2 of these resolutions.

2. **Adoption of new articles of association**

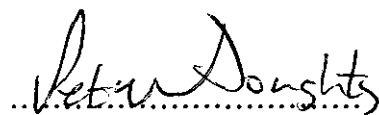
That the draft regulations contained in the printed document attached to these resolutions, signed by the chief executive of the Company for the purpose of identification, be and are approved and adopted as the articles of association of the Company in substitution for the existing articles of association of the Company.

3. **Directors' authority to allot**

**That** the directors of the company be and they are unconditionally authorised for the purposes of section 80 of the Companies Act 1985 to exercise all powers of the company to allot, or grant any right to subscribe for, or to convert any security into shares in the company up to an aggregate nominal amount equal to the nominal amount of the authorised share capital at the date of this resolution. This authority shall expire on the date five years after the passing of this resolution unless previously reviewed or varied save that the directors may, notwithstanding such expiry, allot any shares or grant this authority in pursuance of an offer or agreement to do so made by the company before this authority expires.

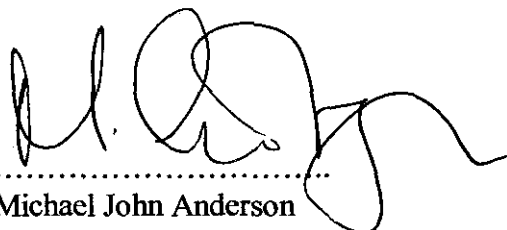
4. **Disapplication of pre-emption rights**

**That** the directors of the company be and they are empowered for the purposes of section 95 of the Companies Act 1985 to allot equity securities (as defined by section 94 of the Companies Act 1985) for cash pursuant to the authority conferred by resolution number 3 of these Resolutions as if section 89(1) of the Companies Act 1985 did not apply to any such allotment.

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Peter Trevor Doughty

Date: *16 March* 2005

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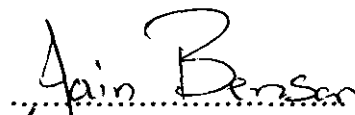
Michael John Anderson

Date: *16 March* 2005

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David Jeremy Prendergast

Date: *16 March* 2005

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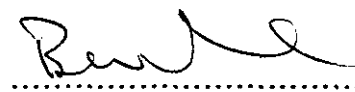
Iain Benson

Date: *16 March* 2005

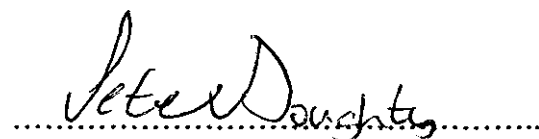
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authorised signatory  
for and on behalf of Seven Spires Limited  
Date: 2005

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Alan Bristow  
Date: 2005

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Giles Victor Campion  
Date: 2005

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Benjamin Wilkinson  
Date: *16 March* 2005

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Gerry Desler  
Date: 2005

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For and on behalf of Radiation Watch Limited

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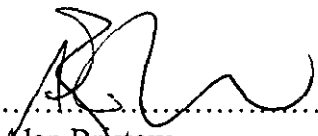
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Date: 16 March 2005

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For and on behalf of Radiation Watch Limited

Company No. 04760930

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

- of -

RADIATION WATCH LIMITED

ADOPTED 16<sup>th</sup> MARCH 2005

**OLSWANG**

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Regulated by the Law Society

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ARTICLES OF ASSOCIATION

- of -



RADIATION WATCH LIMITED

(the "Company")

(Adopted by written resolution passed  
on 16<sup>th</sup> March 2005)

1. DEFINITIONS AND INTERPRETATION

1.1 The regulations contained in Table A apply to the Company except to the extent that they are excluded or modified by these Articles, and those regulations (so far as applicable) and the following provisions of these Articles together constitute the Articles of Association of the Company.

1.2 References in these Articles to any Regulation are to the relevant numbered regulation of Table A.

1.3 Table A shall apply as if the words "these regulations" were deleted (wherever appearing) and were replaced by the words "these Articles".

1.4 In these Articles, the following words and expressions have the following meanings:

"A Ordinary Shares"	the A ordinary shares of 5 pence each in the capital of the Company;
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"A Preferred Ordinary Shares"	the A preferred ordinary shares of 5 pence each in the capital of the Company;
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"A Preferred Ordinary Shareholders"	the holder or holders from time to time of A Preferred Ordinary Shares;
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"Acceptance Notice"	a notice accepting an offer made in a Sale Notice;
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"acting in concert"	the meaning given in The City Code on Takeovers and Mergers;
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**"Associate"**

in relation to any company, any other company which is for the time being a holding company of that company or a wholly-owned subsidiary of that company or of any such holding company and in addition in relation to Seven Spires any other company under the beneficial ownership of any member of the Jameel family;

**"Bad Leaver"**

an employee of the Company who is dismissed for gross misconduct or who resigns without the consent of the board of directors;

**"Business Day"**

a day on which banks are open for business in London, other than Saturday or Sunday;

**"company"**

a body corporate, wherever incorporated;

**"Company Share Scheme"**

any employees' share scheme as defined in section 743 of the Act, provided that for the purposes of this definition, references in that section to "employees" shall be construed as references to "employees and/or directors (whether or not holding an executive office) and/or consultants";

**"Compulsory Transfer Event"**

one of the events referred to in Article 8.1;

**"Compulsory Transfer Notice"**

(in relation to a member referred to in Article 8.3) a notice offering to sell all the shares registered in that member's name or, if the member holds shares by reason of a Connected Person Transfer and the Compulsory Transfer Event has not occurred in relation to that member, all the shares so transferred to it and any additional shares issued to it by virtue of the holding of the shares so transferred, in each case so far as still registered in that member's name;

**"Connected Person"**

in relation to any member, a person to whom that member's shares may be transferred pursuant to any of Articles 7.2 to 7.5;

<b>"Connected Person Transfer"</b>	a transfer to a Connected Person;
<b>"Connected Person Transferor"</b>	in relation to a Connected Person Transfer, the transferor or (in the case of a series of Connected Person Transfers) the first transferor in the series;
<b>"control"</b>	in relation to a company, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that company, whether through the ownership of voting securities in that or any other company, by contract or otherwise;
<b>"Employee"</b>	any person who is at the time of subscription for shares by them or the transfer of shares to them a full time employee of the Company;
<b>"Employees' Trust"</b>	any trust established by the Company to acquire and hold shares in the capital of the Company for the benefit of employees and/or ex-employees of the Company and/or their dependants;
<b>"Family Trust"</b>	<p>a trust (including a trust arising under a testamentary disposition or on an intestacy) under which:</p> <ul style="list-style-type: none"> <li>(i) no beneficial interest in the trust property is vested or permitted to be vested in any person other than the settlor or any of his or her Privileged Relations; and</li> <li>(ii) no power of control over any trust property is or is capable of being exercised by, or is subject to the consent of, any person other than the settlor, any of his or her Privileged Relations or the trustees of the trust;</li> </ul>

<b>"Founder(s)"</b>	each of Peter Trevor Doughty, Michael John Anderson, David Jeremy Prendergast and Iain Benson;
<b>"Founder Director"</b>	a director appointed in accordance with Article 17.8 and including, unless otherwise stated, the duly appointed alternate of such a director;
<b>"Founder Shares"</b>	any and all shares held by a Founder;
<b>"Good Leaver"</b>	a Leaver who is not a Bad Leaver;
<b>"Investors"</b>	Seven Spires and any person to whom it transfers its Preferred Ordinary Shares or A Preferred Ordinary Shares as permitted pursuant to these Articles and each of the individuals that constitute the Syndicate and any person to whom they transfer their A Preferred Ordinary Shares as permitted pursuant to these Articles;
<b>"Leaver"</b>	an Employee who ceases to be employed by the Company;
<b>"Listing"</b>	the admission of part of or the entire issued share capital of the Company (or any holding company of the Company) to listing on the Official List of the UK Listing Authority and to trading on the market for listed securities of the London Stock Exchange plc, or to trading on the Alternative Investment Market of the London Stock Exchange plc, or to trading on any other securities exchange but not OFEX;
<b>"Ordinary Shareholders"</b>	the holder or holders from time to time of Ordinary Shares;
<b>"Ordinary Shares"</b>	the ordinary shares of 5 pence each in the capital of the Company;
<b>"Preferred Ordinary Shares"</b>	the Preferred Ordinary Shares of 5 pence each in the capital of the Company;

<b>"Preferred Ordinary Shareholders"</b>	the holder or holders from time to time of Preferred Ordinary Shares;
<b>"Privileged Relation"</b>	in relation to any transfer of shares, any spouse, parent, sibling or child, including an adopted child or stepchild, of either (a) the transferor or (b) (if the transferor holds shares by reason of a Connected Person Transfer pursuant to Article 7.3, and to the exclusion of (a)) the Connected Person Transferor;
<b>"Sale Notice"</b>	a notice to the Company offering to sell the entire legal and beneficial interest in all or any of the shares registered in the name of the member giving that notice to each member who is not a Connected Person of the member giving that notice;
<b>"Sale Price"</b>	the sale price per share of the Sale Shares, being as specified in the relevant Sale Notice;
<b>"Sale Shares"</b>	the number of shares registered in the Seller's name which the Seller wishes to transfer, being as specified in the relevant Sale Notice;
<b>"Seller"</b>	a member who gives a Sale Notice;
<b>"Seven Spires"</b>	Seven Spires Investments Limited;
<b>"Seven Spires Consent"</b>	the consent in writing of Seven Spires;
<b>"Seven Spires Director"</b>	a director appointed in accordance with Article 17.4 and including, unless otherwise stated, the duly appointed alternate of such a director;
<b>"share"</b>	a share in the capital of the Company from time to time, unless otherwise specified;
<b>"shareholders' agreement"</b>	any agreement binding on each member which relates (in whole or in part) to the management of the business of the Company and/or the rights

	and obligations of each member in its capacity as member;
<b>"Subscription Price"</b>	in relation to any share, the total amount paid up on that share including any premium;
<b>"the Syndicate"</b>	comprises both of Willbro Nominees Limited and Richard Farleigh.;
<b>"Syndicate Consent"</b>	the consent in writing of any two of the members of the Syndicate;
<b>"Syndicate Director"</b>	a director appointed in accordance with Article 17.6 and including, unless otherwise stated, the duly appointed alternate of such a director;
<b>"Table A"</b>	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, SI 1985/805, as in force at the date of adoption of these Articles.

## 2. **SHARE CAPITAL**

2.1 At the date of adoption of these Articles, the authorised share capital of the Company is £246,000, divided into 1,973,800 Ordinary Shares, 800,000 Preferred Ordinary Shares, 146,200 A Ordinary Shares and 2,000,000 A Preferred Ordinary Shares.

2.2 Regulations 2, 17 and 34 shall not apply.

## 3. **SHARE RIGHTS**

3.1 Except as expressly provided otherwise in these Articles, the Ordinary Shares, the A Ordinary Shares, the Preferred Ordinary Shares and the A Preferred Ordinary Shares shall rank *pari passu* in all respects.

### **Capital**

3.2 On a liquidation, reduction of capital, dissolution or winding up of the Company, the assets of the Company available for distribution among the members shall be applied:

3.2.1 first in paying to each Ordinary Shareholder, each A Ordinary Shareholder each Preferred Ordinary Shareholder and each A Preferred Ordinary Shareholder an amount equal to the Subscription Price paid for each Ordinary Share, each A

Ordinary Share, each Preferred Ordinary Share and each A Preferred Ordinary Share on a pari passu basis; and

- 3.2.2 second in paying the balance to the holders of the Ordinary Shares, the A Ordinary Shares, the Preferred Ordinary Shares and the A Preferred Ordinary Shares as if they constituted one class of shares pari passu in all respects.

### **Conversion**

- 3.3 Each holder of Preferred Ordinary Shares, A Ordinary Shares and A Preferred Ordinary Shares shall be entitled at any time, by notice in writing to the Company specifying the number of such shares which are to be converted (a "**conversion notice**"), to convert all or any of the Preferred Ordinary Shares and/or A Ordinary Shares and/or A Preferred Ordinary Shares held by it. Those Preferred Ordinary Shares and/or A Ordinary Shares and/or A Preferred Ordinary Shares shall be converted into a like the number of fully paid new Ordinary Shares. The conversion notice shall be accompanied by the certificate for the Preferred Ordinary Shares and/or A Ordinary Shares and/or A Preferred Ordinary Shares the subject of the conversion notice (or an indemnity in respect of that certificate in a form reasonably satisfactory to the directors).
- 3.4 Immediately before a Listing becomes effective all of the Preferred Ordinary Shares and/or A Ordinary Shares and A Preferred Ordinary Shares held by each Preferred Ordinary Shareholder and A Ordinary Shareholder and A Preferred Ordinary Shareholder shall automatically convert into a like the number of fully paid new Ordinary Shares whether or not a conversion notice has been received in respect of them.
- 3.5 The "**conversion date**" for the conversion shall, in the case of conversion pursuant to Article 3.3, be the date falling 7 days after the date on which the conversion notice is received by the Company or, if that day is not a Business Day, the next following Business Day, and shall, in the case of conversion pursuant to Article 3.4, fall immediately prior to the Listing becoming effective.
- 3.6 The new Ordinary Shares to which a holder is entitled upon conversion shall for all purposes:
- 3.6.1 rank pari passu in all respects and form one class with the Ordinary Shares then in issue; and
- 3.6.2 entitle the holder to receive dividends and other distributions declared, made or paid on Ordinary Shares by reference to a record date on or after the conversion date.
- 3.7 The conversion of Preferred Ordinary Shares and A Ordinary Shares and A Preferred Ordinary Shares shall be made on the conversion date. Promptly after the conversion date,

subject only to receipt of the certificate(s) in respect of all Preferred Ordinary Shares and/or A Ordinary Shares and/or A Preferred Ordinary Shares converted on that date (or, if lost, an indemnity in respect of the relevant certificate(s) in a form reasonably satisfactory to the directors), the Company shall despatch (at the holder's risk) to each holder, without charge, a certificate for the new Ordinary Shares and a new certificate for the balance of the Preferred Ordinary Shares and/or A Ordinary Shares and/or A Preferred Ordinary Shares(if any) not converted into Ordinary Shares.

### **Class Rights**

3.8 The rights attaching to each of the Preferred Ordinary Shares and the A Preferred Ordinary Shares may be varied or abrogated only with the consent in writing of the holders of not less than 75% in nominal value of the Preferred Ordinary Shares or, as the case may be, of the holders of not less than 75% in nominal value of the A Preferred Ordinary Shares then in issue or by an extraordinary resolution passed at a separate general meeting of the holders of Preferred Ordinary Shares and a general meeting of the holders of the A Preferred Ordinary Shares. Without prejudice to the generality of the preceding provisions of this Article, the rights attaching to the Preferred Ordinary Shares and the A Preferred Ordinary Shares shall be deemed to be varied by the Company:

- 3.8.1 varying in any way (whether directly or indirectly) the rights attaching to any shares;
- 3.8.2 altering its memorandum or articles of association;
- 3.8.3 passing any resolution for reducing the share capital of the Company or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner or reducing any uncalled liability in respect of partly paid shares;
- 3.8.4 allotting any further shares ranking as regards participation in the profits or assets of the Company in priority to or pari passu with the Preferred Ordinary Shares or the A Preferred Ordinary Shares (save for the issue of up to 398,207 Ordinary Shares to a Company Share Scheme to which the Investors hereby give consent);
- 3.8.5 permitting any subsidiary to allot (other than to the Company or another wholly-owned subsidiary of the Company) any shares ranking as regards participation in the assets or profits of that subsidiary in priority to its ordinary share capital, or the Company or any subsidiary of the Company disposing of any such shares (other than to the Company or another wholly-owned subsidiary of the Company);



- 3.8.6 capitalising any profits or reserves, including its share premium account or capital redemption reserve, other than in lieu of a cash dividend; or
- 3.8.7 passing any resolution to remove any Seven Spires Director or Syndicate Director from office.
- 3.9 The rights attaching to the A Ordinary Shares may be varied or abrogated only with the consent in writing of the holders of not less than 75% in nominal value of the A Ordinary Shares then in issue or by an extraordinary resolution passed at a separate general meeting of the holders of A Ordinary Shares.

#### **4. ALLOTMENTS OF SHARES**

- 4.1 Subject to the provisions of these Articles, the directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to a maximum aggregate nominal amount of £76,930.25. The authority conferred on the directors by this Article shall expire on the fifth anniversary of the date of adoption of these Articles unless previously revoked, varied or renewed by the Company in general meeting. The Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted after it expires.
- 4.2 The directors may allot relevant securities to a nominal value of up to £76,930.25 as they see fit.
- 4.3 Once relevant securities to a value of £76,930.25 have been issued, before any further equity securities (within the meaning set out in Article 4.13) are allotted, they shall all be offered to all the members. Every offer shall be made by notice in writing and shall specify the number of equity securities offered, the price payable for each equity security and when it is payable, the offer period (being not less than 7 days) at the end of which the offer, if or to the extent not taken up, will be deemed to have been declined, the people (if already identified) to whom the Company intends to allot all or any of the equity securities if they are not applied for by the members, and whether or not the offer is conditional on all or a specified minimum number of equity securities being taken up. The provisions of section 90(3) of the Act shall apply in relation to any such offer.
- 4.4 Article 4.3 shall not apply if the equity securities to be allotted are to be paid up wholly or partly otherwise than in cash, and for these purposes if the equity securities in question comprise the grant of a right to subscribe for, or to convert securities into, any share in the Company, then they shall be regarded as paid up in the same way in which those shares would be paid up on exercise of that right.

- 4.5 Applications for equity securities offered in accordance with Article 4.3 shall be made by written notice to the Company within the offer period set out in the Company's notice and shall specify the number of equity securities applied for. No member may revoke an application which it makes.
- 4.6 Unless the offer to members lapses in accordance with Article 4.8, each member applying for equity securities shall be allotted the number applied for or, if the aggregate number applied for exceeds the number on offer, the number allocated to it in accordance with Article 4.7.
- 4.7 If the aggregate number of equity securities applied for exceeds the number on offer, the equity securities on offer shall be allocated to the applying members in proportion to the number of shares held by them at the date of the offer provided that no member shall be allocated more equity securities than it has applied for, and any equity securities which cannot therefore be allocated to any applying member shall be allocated to the other applying members on the basis set out above until all equity securities are allocated. Fractional entitlements to equity securities shall be ignored.
- 4.8 In the event that an offer made under Article 4.3 fails to become unconditional because the aggregate number of equity securities applied for is less than any minimum number of equity securities specified in the offer, then the offer shall lapse.
- 4.9 For the purposes of this Article 4, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of an offer made under Article 4.3 shall be deemed to be a member of the Company and to hold those shares on that date.
- 4.10 Any equity securities which are not applied for or are the subject of an offer which has lapsed, and equity securities comprised of fractions ignored as provided in Article 4.7, may be allotted by the directors to the people (if any) specified in the Company's offer or (if none) to such people as the directors may determine, provided that:
- 4.10.1 no equity securities shall be so allotted more than three months after the end of the offer period referred to in Article 4.3 unless the procedure set out in Article 4.3 is repeated in respect of those equity securities, with this Article 4.10.1 applying equally to any repetition of that procedure;
- 4.10.2 no equity securities shall be allotted at a price less than that at which they were offered to the members in accordance with Article 4.3.
- 4.11 No person entitled to the allotment of any equity securities may assign its entitlement to any other person.
- 4.12 Section 89(1) of the Act shall not apply to any allotment by the Company of equity securities.

4.13 For the purposes of this Article 4, references to "equity securities" shall be construed in accordance with section 94 of the Act, save that:

4.13.1 shares which as respects dividends and capital carry a right to participate only up to a specified amount in a distribution shall constitute equity securities; and

4.13.2 shares to be allotted pursuant to a Company Share Scheme (and a right to subscribe for such shares) shall not constitute equity securities.

## **5. SHARE CERTIFICATES, LIENS AND FORFEITURE**

Regulation 6 shall apply as if the words "or executed by the Company and signed by a director and the secretary of the Company or by two directors of the Company in accordance with the Act" were inserted after the word "seal" in the second sentence of that Regulation.

## **6. TRANSFER AND TRANSMISSION OF SHARES**

6.1 No member may transfer any share except in accordance with Articles 7 (Permitted Transfers), 8 (Compulsory Transfers), 9 (Pre-emption on the Transfer of Shares), 10 (Co-Sale Rights) or 11 (Drag Rights and Tag Rights) and any purported transfer in breach of this Article 6.1 shall be of no effect.

6.2 References in Article 6.1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party.

6.3 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles, and a transfer of shares to a minor, a bankrupt or a person of unsound mind.

6.4 The directors may from time to time require any member, or any person becoming entitled to shares on a transmission of those shares, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether (a) there has been a breach of the Articles, (b) a Compulsory Transfer Event has occurred or (c) (as the case may be) the proposed transfer is permitted under the Articles. Unless that information is supplied within 30 days of the date of the request, the directors may declare the shares in question to be subject to the restrictions set out in section 454 of the Act or (as the case may be) may refuse to register the relevant transfer.

- 6.5 Unless pursuant to these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the registered office of the Company or such other place as the directors may appoint:
- 6.5.1 the duly stamped transfer;
  - 6.5.2 the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors;
  - 6.5.3 evidence that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of any shareholders' agreement then in force with effect from the date of the transfer; and
  - 6.5.4 (where the proposed transferee is the trustee of a Family Trust who is to receive the relevant shares in that capacity pursuant to a transfer pursuant to Articles 7.3 and 7.4) evidence reasonably satisfactory to the directors that the trustee has the capacity to give warranties or indemnities (subject to reasonable limitations on its liability) in the event of a sale of those shares.
- 6.6 A person becoming entitled to a share by transmission may, upon such evidence being produced as the directors may properly require, elect by notice to the Company to become the holder of that share but shall have no right to have any person nominated by him registered as the transferee.
- 6.7 Regulations 24, 26 and 30 shall not apply.

## **7. PERMITTED TRANSFERS**

A transfer of any share, other than one which in accordance with these Articles is declared to be subject to the restrictions set out in section 454 of the Act, may, unless otherwise provided in these Articles, be made at any time in the following cases:

- 7.1 with the prior written consent of members (including Seven Spires Consent and Syndicate Consent) including the transferor(s) holding shares carrying not less than 60% of the voting rights attaching to the issued share capital of the Company (excluding any issued shares which have been declared to be subject to the restrictions set out in section 454 of the Act), subject to the fulfilment of any conditions on the basis of which any such consent is given;
- 7.2 a transfer of the entire legal and beneficial interest in any share by a member (being a company) to an Associate;

- 7.3 a transfer of the entire legal and beneficial interest in any share by a member (being an individual who does not hold the shares concerned as a trustee) to a Privileged Relation aged 18 or over or to trustees of a Family Trust acting in that capacity;
- 7.4 a transfer of the legal interest in any share by any trustee(s) of a Family Trust acting in that capacity to any other or new trustee(s) of that Family Trust acting in that capacity;
- 7.5 a transfer of the entire legal and beneficial interest in any share by any trustees of a Family Trust acting in that capacity to any beneficiary of that trust aged 18 or over who has become absolutely entitled to the share proposed to be transferred or to any Privileged Relation of the settlor; or
- 7.6 a transfer of shares to the trustees of an Employees' Trust or by the trustees of an Employees Trust to any director or employee of any member of the Company provided that, in any such case, such transfer is in accordance with the terms of such trust and has been approved by the Investors.

## **8. COMPULSORY TRANSFERS**

- 8.1 For the purposes of these Articles, a Compulsory Transfer Event shall occur in relation to a person:
  - 8.1.1 if that person (being an individual, other than one who holds shares as trustee of a Family Trust) becomes a Leaver;or if that person (being a person who holds shares as trustee of a Family Trust):
  - 8.1.2 ceases to hold those shares on the terms of a Family Trust (other than in consequence of a transfer pursuant to Article 7.5) or holds them on trust only for an individual in relation to whom a Compulsory Transfer Event has occurred;
- 8.2 If a Compulsory Transfer Event occurs in relation to a member or, in the case of a member who holds shares by reason of a Connected Person Transfer, in relation either to that member or to the Connected Person Transferor, then the member in question (or any person becoming entitled to that member's shares on a transmission of those shares) shall promptly notify the directors that the Compulsory Transfer Event has occurred.
- 8.3 The directors may declare that any member who is required to give notice pursuant to Article 8.2, and all other members who hold shares by reason of a Connected Person Transfer where that member was the Connected Person Transferor, shall be deemed to have given a Compulsory Transfer Notice. Such declaration shall be made by notice given to all the members during the period of 30 days starting on the date when the directors receive notice

under Article 8.2 or (if no such notice is received during the period of 14 days starting on the date of the relevant Compulsory Transfer Event) starting on the date when the directors become aware of that Compulsory Transfer Event.

8.4 Promptly after a Compulsory Transfer Notice has been deemed to have been given, the Company may require its auditors for the time being to determine in accordance with Article 12 the fair value of the shares which are the subject of the Compulsory Transfer Notice.

8.5 Any Compulsory Transfer Notice deemed to have been given shall be irrevocable and shall be deemed to offer unconditionally to sell all of the shares in question for a price agreed by the member who is deemed to have given a Compulsory Transfer Notice and the directors or if not agreed their value as determined pursuant to Article 12. Any such offer shall be deemed to have been made:

8.5.1 first, to the holders of all classes of shares, pro rata in accordance with their shareholdings;

8.5.2 secondly, if any such shareholder declines to purchase the shares, to the other shareholders of all classes who have accepted the offer in respect of all of the shares offered to them;

8.5.3 thirdly, to such employees or proposed employees of the Company and/or trustees of any Employees' Trust as the Investors shall agree; and

8.5.4 fourthly, to the Company, which shall have the right to accept any or all of the shares offered to it (if it is lawfully able to do so) by written notice given by it to all members within 14 days of the notification of Compulsory Transfer Notice or notification of the value of the relevant shares in accordance with Article 12.1 if the directors exercise their right in accordance with Article 8.4;

8.5.5 any member to whom shares are offered shall have the right to accept any or all of the shares offered to them by written notice to the Company given within 21 days of the notification of Compulsory Transfer Notice or notification of the value of the relevant shares in accordance with Article 12.1 if the directors exercise their right in accordance with Article 8.4.

A person shall be deemed to have declined an offer made to it pursuant to the preceding provisions of this Article 8.5 to the extent that the offer is not accepted (or, in the case of the Company, lawfully accepted) in accordance with this Article within the relevant period of time. An accepting person's notice shall specify the number of shares applied for.

- 8.6 Each notice of acceptance given by a person under Article 8.5 shall be irrevocable, and shall give rise to a legally binding and unconditional agreement between the person giving it and the member deemed to have given the Compulsory Transfer Notice. Under each such agreement, the relevant member shall be bound to buy, and the member deemed to have given the Compulsory Transfer Notice shall be bound to sell, a number of shares determined in accordance with the provisions of Articles 9.7 and 9.8 (which shall apply mutatis mutandis as set out below in this Article 8). If the aggregate number of shares so to be sold does not comprise all the shares the subject of the Compulsory Transfer Notice, each agreement to which a notice given by a member under Article 8.5 gives rise shall immediately lapse. Articles 9.6 to 9.10 shall apply as if references to "Acceptance Notice" were to "notice under Article 8.5", to "Sale Shares" were to "shares", to "Sale Notice" were to "Compulsory Transfer Notice", to "Sale Price" were to "the price specified in Article 8.5" and to "Seller" were to "member deemed to have given the Compulsory Transfer Notice".
- 8.7 If the Company lawfully elects to buy any shares which are the subject of a Compulsory Transfer Notice, the directors (other than any member deemed to have given a Compulsory Transfer Notice in question or any director appointed by any such member) shall determine a timetable and procedure for such purchase and the members shall comply with any requirements of the directors (as to voting of their shares or otherwise) to give effect to that purchase.
- 8.8 If any member is deemed to have given a Compulsory Transfer Notice, the shares held by that member shall be subject to the restrictions set out in section 454 of the Act, notwithstanding Article 7, until sold pursuant to Article 8 or otherwise agreed by the directors
- 8.9 This Article 8 shall not apply to any share in respect of which a transfer in accordance with Articles 7 (Permitted Transfer), 9 (Pre-emption on the Transfer of Shares), 10 (Co-Sale Rights), 11 (Drag Rights and Tag Rights) has been lodged for registration before a Compulsory Transfer Notice in relation to that share is deemed to be given under Article 8.3.

## **9. PRE-EMPTION ON THE TRANSFER OF SHARES**

- 9.1 A member who wishes to transfer the entire legal and beneficial interest in any shares registered in its name, other than pursuant to Articles 7 (Permitted Transfers), 8 (Compulsory Transfers), 10 (Co-Sale Rights), 11 (Drag Rights and Tag Rights) shall first give a Sale Notice to the Company.
- 9.2 The Sale Notice shall specify:
- 9.2.1 the number of Sale Shares;
  - 9.2.2 a cash price per share at which the Sale Shares are offered for sale;

- 9.2.3 whether any third party has indicated a willingness to buy any of the Sale Shares within the period of 3 months prior to the date of the Sale Notice and if so, the number of shares concerned and the date of that indication;
- 9.2.4 the identity of any such third party and (if it is a company) the person(s) believed by the Seller to control that company; and
- 9.2.5 a summary of the terms of purchase put forward by any such third party, including, without limitation, details of the nature and amount of the consideration and the date on which it would be payable.

The Sale Notice shall also state whether or not the Seller's offer is conditional on acceptances being received for all (or any other specified percentage) of the Sale Shares, but may not otherwise be conditional.

- 9.3 The Sale Notice shall not be revocable except with the consent of the directors, and shall constitute the Company the agent of the Seller for the sale of the entire legal and beneficial interest in the Sale Shares to all members on the date of the Sale Notice (other than the Seller and any Connected Person of the Seller and any member deemed to give or to have given a Compulsory Transfer Notice and any member who has given a Sale Notice in respect of all shares registered in his name) in accordance with this Article 9 at the Sale Price. If the Sale Price is specified by the Seller, pursuant to Article 9.2.2, to be the fair value as determined by the Company's auditors under Article 12 the Company shall require its auditors to make that determination as soon as reasonably practicable after the Sale Notice is given. Until the Seller's offer lapses or is declined or deemed declined by all members to whom it is made, and notwithstanding Article 7, the Seller may not make a Connected Person Transfer.
- 9.4 Promptly after the Sale Notice is received or, where the Sale Price is certified by the Company's auditors pursuant to Article 12, promptly after that certificate is received the directors shall send a copy of the Sale Notice to each person to whom the Sale Shares are to be offered ("**applicant**"), being:
  - 9.4.1 first to the holders of the same class of shares as the shares which are the subject of the Sale, pro rata in accordance with their shareholdings;
  - 9.4.2 second, if any such shareholder declines to purchase the shares, to the other shareholders of the same class who have accepted the offer in respect of all of the shares offered to them;
  - 9.4.3 third, to the holders of the other classes of shares, pro rata in accordance with their shareholdings;



- 9.4.4 fourth, if any such shareholder declines to purchase the shares, to the other shareholders of the same class who have accepted the offer in respect of all of the shares offered to them;
- 9.4.5 fifth, to such employees or proposed employees of the Company and/or trustees of any Employees' Trust as the Investors shall agree; and
- 9.4.6 sixth, to the Company which shall have the right to accept any or all of the shares offered to it (if it is lawfully able to do so) by written notice given by it to all members within 14 days of the notification of Sale Notice or notification of the value of the relevant shares in accordance with Article 12.1 if the Company exercises its right in accordance with Article 9.3.

Each applicant shall have the right to buy Sale Shares at the Sale Price by giving an Acceptance Notice (with a copy to the Seller) within 30 days of receipt of the Sale Notice specifying the number of Sale Shares applied for. In the event that an applicant gives no Acceptance Notice within that 30 days' period, it shall be deemed to have declined the offer made to it.

- 9.5 Each Acceptance Notice shall be irrevocable, and shall give rise to a legally binding agreement between the applicant giving it and the Seller. That agreement shall be conditional upon acceptances being received for all or any other specified percentage of the Sale Shares only if so provided by the Sale Notice, but shall not otherwise be conditional. Under each such agreement, the relevant applicant shall be bound to buy, and the Seller shall be bound to sell, a number of Sale Shares determined in accordance with the provisions of Articles 9.7 and 9.8. If the aggregate number of Sale Shares so to be sold does not satisfy any acceptance condition contained in the Sale Notice, each agreement to which an Acceptance Notice gives rise shall immediately lapse.
- 9.6 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Sale Price, and together with all rights attaching to the Sale Shares on or after the date of the Sale Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares.
- 9.7 Each applicant giving an Acceptance Notice shall be allocated the number of Sale Shares applied for in that Acceptance Notice, except where the aggregate number of Sale Shares applied for by all applicants to whom the offer is made exceeds the number of Sale Shares. In those circumstances, the Sale Shares shall be allocated to the applicant (whether Preferred Ordinary Shareholders, Ordinary Shareholders, A Ordinary Shareholders or A Preferred Ordinary Shareholders) in proportion to the number of Ordinary Shares and/or A Ordinary Shares (treating the same as one class of shares for this purpose) held by them (or, in the

case of the Preferred Ordinary Shareholders and the A Preferred Ordinary Shareholders in proportion to the number of Ordinary Shares that would be held by them respectively assuming conversion of all of the Preferred Ordinary Shares and A Preferred Ordinary Shares into new Ordinary Shares on the basis set down in Articles 3.3 to 3.7, provided that no applicant shall be allocated more Sale Shares than it has applied for, and any Sale Shares which cannot therefore be allocated to any applicant shall be allocated to the other applicants on the basis set out above until all Sale Shares are allocated. Fractional entitlements to Sale Shares shall be ignored.

- 9.8 Fractions of shares which would otherwise be allocated to applicants pursuant to Article 9.7 shall be consolidated and allocated by the drawing of lots in any manner thought appropriate by the directors, provided that no applicant shall be allocated more shares than it has applied for. For the purposes of Article 9.3, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of the Sale Notice shall be deemed to be a member of the Company and to hold those shares on that date.
- 9.9 The Company shall specify by notice to the relevant applicants a time and place for completion of the sale and purchase of the Sale Shares, being not less than 3 and not more than 14 days after the date of receipt of the final Acceptance Notice. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when:
- 9.9.1 each applicant shall pay the Seller in cash the purchase price for the Sale Shares bought by that applicant; and
- 9.9.2 the Seller shall deliver to each such applicant a transfer in respect of the Sale Shares bought by it, duly executed in its favour by the Seller, together with the certificate(s) for the Sale Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors.
- 9.10 As security for the performance by the Seller of its obligations under Article 9.9.2, the Seller shall be deemed, on giving the Sale Notice, to appoint any director as its duly authorised agent to complete, execute and deliver a transfer of the Sale Shares pursuant to Article 9.9.2 and to give a good discharge for the purchase money. That money shall be held on trust by the Company for the Seller (without any obligation to account for interest on it) until the share certificate(s) or indemnity referred to in Article 9.9.2 is delivered to the Company.
- 9.11 If in respect of all or any Sale Shares the Seller's offer lapses, or is declined or deemed declined by all the applicants to whom it is made, then the directors shall promptly give written notice to the Seller (with copies to all other members, save for Connected Persons of the Seller) specifying the number of Sale Shares concerned. The Seller shall then be entitled, subject to first complying with Article 10 (Co-Sale Rights), in pursuance of a bona fide sale,

and subject to Article 6.3, to transfer the entire legal and beneficial interest in any of those Sale Shares or (if the Sale Notice stated that the Seller's offer was conditional on acceptances being received for all or any other specified percentage of the Sale Shares) not less than all or that specified percentage of the Sale Shares, to the buyer(s) named in the Sale Notice any person, in accordance with, and within the period referred to in, Article 9.12.

- 9.12 The consideration per share payable on a transfer of Sale Shares pursuant to Article 9.11 (after allowing for any deduction, rebate or allowance to the buyer other than one equal to any dividend or distribution declared, paid or made after the date of the Sale Notice and which is not to be received by the buyer):

9.12.1 (where the Sale Shares are being sold solely for a consideration which is payable in cash, including by means of a loan note) shall be not less than the Sale Price; or

9.12.2 (in any other case) shall have a value which before that transfer is made shall have been agreed or determined under Article 9.13 to be not less than the Sale Price.

The relevant transfer(s) shall be lodged for registration during the period of 45 days starting on the date of the directors' notice under Article 9.11 or, if applicable, on the date of any agreement or determination under Article 9.13.

- 9.13 If the Sale Shares are not being sold solely for a consideration which is immediately payable in cash, then the value of that consideration shall be determined by the Company's auditors unless agreed between the Seller and the directors before the date falling 7 days after the date of the directors' notice under Article 9.11. The Company's auditors shall act as experts and not as arbitrators, their decision shall, save in the case of manifest error, be final and binding on all the members, and their costs shall be borne by the Company. The Company shall ensure that details of any agreement or determination under this Article 9.13 are promptly supplied to each member.

## **10. CO-SALE RIGHTS**

- 10.1 Save where the buyer is another Founder or the Company, each Seller, other than the Investors, shall, before transferring any Sale Shares to any person pursuant to Article 9.11, notify the Investors in writing of such intended transfer not less than ten days prior to the date on which that transfer is proposed to be made. Each Investor may, within seven days of receipt of the Seller's notice, elect by notice in writing to the Seller to exercise co-sale rights. If such co-sale rights are exercised, the Seller shall not be permitted to transfer any of the Sale Shares to any person pursuant to Article 9.11 unless he ensures that each electing Investor is allowed to sell to that person, for a cash price per share which shall not be less than the Sale Price and otherwise on the same terms (subject to Article 10.3) applicable to

the Sale Shares, the Relevant Percentage (as defined below) of the shares (including for this purpose any shares arising on the exercise of any right (whether or not contingent) to acquire shares which is exercised during the seven days' period referred to above) held by the relevant Investor.

10.2 For the purposes of this Article 10 the Relevant Percentage shall be equal to the percentage of the Ordinary Shares and/or A Ordinary Shares (treating the same as one class of shares for this purpose) held by the Seller which is proposed to be transferred (or, in the event that there is more than one Seller, the average of the percentages in respect of each Seller).

10.3 If an Investor exercises its co-sale rights it shall not be required to give:

10.3.1 any warranties, representations, indemnities, covenants or other assurances other than those which relate to or are in respect of title to the number of shares registered in its name in respect of which co-sale rights have been exercised and its capacity to enter into the relevant agreement for the sale of those shares;

10.3.2 any restrictive covenants which in any way restrict it from carrying on any business;

and the aggregate liability of the Investor exercising co-sale rights under any warranties, representations, indemnities, covenants or other assurances it may give shall be limited to the consideration payable by the person acquiring the Sale Shares to such Investor for the number of shares registered in its name in respect of which co-sale rights have been exercised.

10.4 The person acquiring the Sale Shares shall complete the purchase of the shares in respect of which co-sale rights have been exercised pursuant to Article 10.1 at the same time as it completes the purchase of the Sale Shares being transferred by the Seller. If the person to whom the Seller proposes to transfer the Sale Shares does not, at the time set for completion of the sale of any shares by the seller, buy the relevant number of shares in respect of which co-sale rights have been exercised, the Seller may not sell any of the Sale Shares to that person and the directors shall refuse to register any transfer prohibited by this Article 10.4.

10.5 A transfer of shares by an Investor pursuant to the exercise of co-sale rights in accordance with Article 10.1 is not subject to the provisions of Article 9.

## 11. **DRAG RIGHTS AND TAG RIGHTS**

11.1 In this Article 11, a "**Qualifying Offer**" shall mean a bona fide third party offer on arm's length terms to buy the entire issued share capital of the Company, at the same price per share and on the same terms in respect of each share of whatever class and ("**Qualifying Offeror**") shall mean the person making a Qualifying Offer:

11.2 If a Qualifying Offer is:

11.2.1 accepted by the holder(s) of shares representing not less than 50% of the voting rights attaching to the then issued share capital of the Company ("**Accepting Shareholders**"); and

11.2.2 agreed to in writing by the Investors provided that an Investor's consent shall not be required in the event that the internal rate of return of that Investor's investment in the Company exceeds 25 per cent per annum at the date of the Qualifying Offer;

the Company shall give written notice to all the members and all other persons who at the date of such notice have rights (whether or not contingent) to acquire shares, giving details of the Qualifying Offer and the acceptances given by the Accepting Shareholders. All such members and other persons shall, on the giving of that notice, cease to be entitled to give a Sale Notice pursuant to Article 9 or to transfer the legal or beneficial interest in any share pursuant to Article 7 (Permitted Transfers) and shall become bound to accept the Qualifying Offer and to transfer, on any date specified by the Company for the purpose (being not less than 10 Business Days after the date of the Company's notice), the shares registered in their respective names (including any shares which become so registered before the date specified by the Company) to the Qualifying Offeror (or his nominee) with full title guarantee at the consideration per share payable by the Qualifying Offeror. The Company may specify more than one date in its notice if necessary for the purpose of ensuring that rights to acquire shares in the Company become exercisable.

11.3 If any member does not, on any relevant date specified by the Company in accordance with Article 11.2, execute and deliver to the Company transfers in respect of the shares held by it, and any other documents necessary to accept the Qualifying Offer and deliver to the Company the certificate(s) in respect of those shares (or an indemnity in lieu of those certificate(s) in a form satisfactory to the directors), then any Accepting Shareholder shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute the necessary transfer(s), other necessary documents and indemnities on that member's behalf and, (where the Qualifying Offer provides for any election to be made between any forms of consideration) to make the relevant election on behalf of that member and, against receipt by the Company on trust for that member of the consideration payable for the relevant shares, deliver such transfer(s), other necessary documents and certificate(s) or indemnities to the Qualifying Offeror. Following receipt by the Company of the consideration payable for those shares, the Company shall (subject to the payment of any stamp duty) cause the Qualifying Offeror to be registered as the holder of those shares and, after such registration, the validity of such proceedings shall not be questioned by any person.

11.4 No transfer of shares which together give control of the Company may be registered unless a Qualifying Offer has first been made.

11.5 Transfers of shares, whether by Accepting Shareholders or other members, in accordance with this Article 11 are not subject to the provisions of Article 9 (Pre-emption on the Transfer of Shares).

## 12. FAIR VALUE DETERMINATION

12.1 The fair value of any share to be determined under this Article shall be its open market value as certified by the Company's auditors for the time being as at the date when the Sale Notice is given or, as the case may be, the Compulsory Transfer Notice is deemed to be given. In giving any such certificate, the Company's auditors shall apply no premium or discount in relation to the size of any holding, shall assume a willing seller and buyer at arm's length, shall further assume, if the Company is then carrying on business as a going concern, that it will continue to do so and shall ignore any restrictions on transfer contained in these Articles. The directors shall use all reasonable efforts to ensure that the fair value is determined by the auditors and their certificate issued to all the members as quickly as possible. The auditors shall act as experts and not as arbitrators, their certificate shall, save in the case of manifest error, be final and binding on the Company and all members, and their costs shall be borne by the Company. The Company shall ensure that a notice containing details of any determination under this Article 12.1 is promptly supplied to each member.

12.2 Notwithstanding Article 12.1, for the purposes of these Articles the fair value of each share held by an individual who becomes a Leaver (or a Connected Person of that Leaver) in any circumstances shall be:

12.2.1 if the Leaver is a Bad Leaver the lower of the fair value determined by the auditors in accordance with Article 12.1 and the Subscription Price for that share; and

12.2.2 if the Leaver is a Good Leaver before 28 February 2006, 50% of the fair value determined by the auditors in accordance with Article 12.1;

12.2.3 if the Leaver is a Good Leaver on or after 28 February 2006 and before 28 February 2007, 66.6% of the fair value determined by the auditors in accordance with Article 12.1;

12.2.4 if the Leaver is a Good Leaver on or after 28 February 2007 and before 28 February 2008, 83.3% of the fair value determined by the auditors in accordance with Article 12.1;

12.2.5 if the Leaver is a Good Leaver on or after 28 February 2008, the fair value determined by the auditors in accordance with Article 12.1;

### 13. GENERAL MEETINGS

- 13.1 The Ordinary Shares, the A Ordinary Shares, the Preferred Ordinary Shares and the A Preferred Ordinary Shares confer on the holders of those shares the right to receive notice of and attend, speak and vote at general meetings.
- 13.2 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall be three members, one of whom holds Preferred Ordinary Shares or represents either members holding Preferred Ordinary Shares or, if there are no Preferred Ordinary Shares, Seven Spires if Seven Spires is then still a shareholder in the Company, and one of whom holds A Preferred Ordinary Shares or represents either members holding A Preferred Ordinary Shares or, if there are no A Preferred Ordinary Shares, the Syndicate if the Syndicate is then still a shareholder in the Company and one of whom holds Ordinary Shares or represents members holding Ordinary Shares in each case present (in the case of an individual) in person or by proxy or (in the case of a company) by duly authorised representative or by proxy. Regulation 40 shall not apply.
- 13.3 Regulation 44 shall apply as if the words "and at any separate meeting of the holders of any class of share in the Company" were deleted.
- 13.4 If a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such time and place as the directors may determine. At least 5 clear days notice shall be given of every adjourned meeting, specifying the time and the place of the adjourned meeting and the general nature of the business to be conducted. Regulation 41 shall not apply. Regulation 45 shall apply as if the last two sentences were deleted.
- 13.5 The quorum at any adjourned meeting shall be those members present at the time and place set for such meeting in accordance with the notice referred to in Article 13.4.
- 13.6 Any member or other person entitled to attend and speak at general meetings may participate in any general meeting by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to see, hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of that meeting is located.

13.7 Save as otherwise provided by the Act, the provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of the shares of any class required to take place by the Act or these Articles, except that the necessary quorum at any such meeting shall be:

13.7.1 in the case of a general meeting of the Preferred Ordinary Shareholders, one member holding Preferred Ordinary Shares, in the case of a general meeting of the A Preferred Ordinary Shareholders, one member holding A Preferred Ordinary Shares; and

13.7.2 in the case of a general meeting of the holders of any other class of shares, two members holding shares of the relevant class (in the case of Ordinary Shares one of which members shall be a Founder if, at the relevant time, any Founder is still a shareholder in the Company)

in each case present (in the case of an individual) in person or by proxy or (in the case of a company) by a duly authorised representative or by proxy.

13.8 Regulation 37 shall apply as if the words "eight weeks" were deleted and replaced by the words "twenty-eight days".

13.9 Regulation 39 shall not apply.

#### 14. **VOTES OF MEMBERS**

14.1 Subject to any rights or restrictions attached to any shares by these Articles, on a show of hands, every member who is present in person or by proxy (in the case of an individual) or by duly authorised representative or by proxy (in the case of a company) shall have one vote and on a poll shall have one vote for every Preferred Ordinary Share, A Preferred Ordinary Share, Ordinary Share or A Ordinary Share of which he is the holder.

14.2 Regulations 60 and 61 shall apply as if the following sentence was added at the end of each of those Regulations: "Any such instrument shall be deemed to confer authority to demand or join in a demand for a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit".

14.3 Regulation 62 shall apply as if:

14.3.1 the words "not less than forty-eight hours" in each of paragraphs 62(a) and 62(aa) were deleted and replaced by the words "at any time";

14.3.2 paragraphs 62(b) and (c) were deleted and replaced with the words:



"(b) in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll"; and

14.3.3 the words: "Any valid appointment of proxy shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting" were inserted at the end of that Regulation.

14.4 A special resolution shall be effective for any purpose for which an ordinary or an extraordinary resolution is required.

## **15. ALTERNATE DIRECTORS**

15.1 Any director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be an alternate director and may remove from office any alternate appointed by him. Regulation 65 shall not apply.

15.2 An alternate director who is absent from the United Kingdom shall be entitled to receive notice of all meetings of directors and committees of directors. Regulation 66 shall apply as if the last sentence were deleted.

15.3 An alternate director shall cease to be an alternate director if his appointor ceases to be a director. Regulation 67 shall not apply.

15.4 Regulation 68 shall apply as if the following words were added at the end of that Regulation: "and shall take effect when the notice is received or at any later time specified for the purpose in the notice".

15.5 The appointment of any alternate director shall terminate automatically on the happening of any event which, if he were a director, would cause him to vacate his office as a director.

15.6 A person may be appointed as the alternate director of more than one director, and in those circumstances that alternate director shall be entitled at meetings of the directors or any committee of the directors to one vote in respect of every director by whom he has been appointed in addition to his own vote (if any) as a director. Any such person may be counted more than once for the purpose of determining whether or not a quorum is present.

## **16. DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers (with power to sub-delegate) to committees consisting of such individuals (whether directors or not) as they think fit. The first sentence of Regulation 72 shall not apply.

17. **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

- 17.1 Unless and until otherwise determined by ordinary resolution, the number of the directors (other than alternate directors) shall not be more than eight, and the minimum number of directors shall be two. Regulation 64 shall not apply.
- 17.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. Regulation 78 shall not apply.
- 17.3 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, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the Articles as the maximum number of directors. Regulation 79 shall not apply.
- 17.4 Seven Spires may from time to time appoint one person willing to act as a director (a "**Seven Spires Director**") and, in addition, one person willing to act as an observer at meetings of the directors and/or any meeting of a committee of the directors ("**Seven Spires Observer**") and remove from office any person so appointed. If the appointment of a Seven Spires Director would make the number of directors exceed the maximum fixed by or in accordance with the Articles from time to time and the holders of the Ordinary Shares or A Ordinary Shares or A Preferred Ordinary Shares will not cooperate with Seven Spires to change the Articles, Seven Spires shall be entitled by notice in writing to the Company to remove such other director(s) as it designates (but not a director appointed by the Syndicate or a Founder Director) in order to enable the appointment of the Seven Spires Director to be within that specified maximum.
- 17.5 Any appointment or removal of a Seven Spires Director or a Seven Spires Observer shall be made by notice to the Company signed by Seven Spires. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.
- 17.6 The Syndicate may from time to time appoint one person willing to act as a director (a "**Syndicate Director**") and, in addition, one person willing to act as an observer at meetings of the directors and/or any meeting of a committee of the directors ("**the Syndicate Observer**") and remove from office any person so appointed. If the appointment of a Syndicate Director would make the number of directors exceed the maximum fixed by or in accordance with the Articles from time to time and the holders of the Ordinary Shares or A Ordinary Shares or A Preferred Ordinary Shares will not cooperate with the Syndicate to change the Articles, the Syndicate shall be entitled by notice in writing to the Company to remove such other director(s) as it designates (but not a director appointed by Seven Spires or a Founder Director) in order to enable the appointment of the Syndicate Director to be within that specified maximum.

- 17.7 Any appointment or removal of a Syndicate Director or a Syndicate Observer shall be made by notice to the Company signed by the Syndicate. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.
- 17.8 If at any time at least any three of the Founders together holding at least 15 per cent. of the issued share capital of the Company from time to time are no longer Directors ("**Non-Director Founders**") such Non-Director Founders shall between them have the right to appoint one person willing to act as a director (a "**Founder Director**") and, in addition, one person willing to act as an observer at meetings of the directors and/or any meeting of a committee of the directors ("**Founder Observer**") and remove from office any person so appointed. If the appointment of a Founder Director would make the number of directors exceed the maximum fixed by or in accordance with the Articles from time to time and the holders of the Ordinary Shares or A Ordinary Shares or A Preferred Ordinary Shares will not cooperate with the Founders to change the Articles, the Founders shall be entitled by notice in writing to the Company to remove such other director(s) as it designates (but not a director appointed by the Syndicate or Seven Spires) in order to enable the appointment of the Founder Director to be within that specified maximum. Any Director so appointed shall be automatically removed as soon as the Non-Director Founders from time to time together hold less than 15 per cent. of the issued share capital of the Company.
- 17.9 Any appointment or removal of a Founder Director or a Founder Observer shall be made by notice to the Company signed by the Non-Director Founders. Any such appointment or removal shall take effect when the notice is received or at any later time specified for the purpose in the notice.
- 17.10 Any Seven Spires Director, Syndicate Director, Seven Spires Observer or Syndicate Observer, Founder Director or Founder Observer may make such disclosures in relation to the Company to his Investor or appointors (as the case may be) as he thinks appropriate in his sole discretion.
- 17.11 Regulation 81 shall apply as if paragraph (e) were deleted and replaced by the following:
- "(e) he is removed from office in accordance with Article 17.4 or he ceases to hold office in accordance with Article 8.8".
- 17.12 Regulations 73 to 77 and 80 shall not apply.
18. **DIRECTORS' APPOINTMENTS AND INTERESTS**
- 18.1 Regulation 84 shall apply as if the last sentence were deleted.

18.2 Regulation 85 shall apply as if the word "material" were deleted.

19. **DIRECTORS' GRATUITIES AND PENSIONS**

The directors may exercise any power conferred by the Act to make provision for the benefit of any employees or former employees of the Company or any of its subsidiary undertakings in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary undertaking.

20. **PROCEEDINGS OF DIRECTORS**

20.1 Regulation 88 shall apply as if the third sentence were deleted and replaced by the following: "Notice of every meeting of the directors and of every meeting of a committee of the directors shall be given to every director and alternate director, whether or not he is for the time being absent from the United Kingdom, provided that any one or more of the directors or alternate directors may waive his right to receive notices either generally or in respect of any particular meeting or while absent from the United Kingdom, and prospectively or retrospectively (in the latter case within 7 days of the start of the meeting or any longer period determined by the Company by ordinary resolution)".

20.2 No business may be transacted at any meeting of the directors or a committee of the directors unless a quorum is present. Unless otherwise stated in these Articles, the quorum for the transaction of the business of the directors or a committee of the directors shall be any three directors including the Seven Spires Director and the Syndicate Director (unless they agree otherwise on each occasion) and a director representing the Founders or, any one director if no such Seven Spires Director or Syndicate Director has been appointed and if no Founders remain shareholders in the Company. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Regulation 89 shall not apply. The quorum for any adjourned meeting of the directors shall be those directors present at the time and place notified for such meeting in accordance with Article 20.1.

20.3 Unless otherwise stated in these Articles, at any meeting of the directors or a committee of the directors each director present (in person or by alternate) shall have one vote. Resolutions put to the vote of a meeting shall be passed by simple majority.

20.4 The last sentence of Regulation 94 shall apply as if the words "shall be treated as an interest of the director" were deleted and replaced by the words "(or who appoints the director to office under Article 17.4) shall be treated as a material interest of the director which does not fall within any of paragraphs (a) to (d) of this regulation".

20.5 Meetings of the board or any committee of the board shall take place no less frequently than once per calendar month unless the prior written consent of the Investors is obtained to

holding such meetings on a less frequent basis. Unless otherwise agreed by all the directors entitled to vote at that meeting not less than seven days' prior notice shall be given of each meeting of the directors or a committee of the directors, accompanied by a written agenda specifying in reasonable detail the matters to be discussed at that meeting and accompanied by copies of all documents which are to be discussed at that meeting. Copies of the written agenda and aforementioned documentation shall also be provided to the Observer in accordance with the provisions of this Article 20.5.

- 20.6 Unless otherwise agreed by all the directors entitled to vote at that meeting, no business shall be discussed or voted on at any meeting of the directors or a committee of the directors or at any adjournment of any such meeting, unless included in the agenda accompanying the notice convening that meeting.
- 20.7 Detailed minutes of every meeting of the directors or a committee of the directors shall be kept by the secretary, and shall be circulated to each director (and the Observer, if so appointed) within one week of each such meeting and shall be tabled for approval at the next meeting.
- 20.8 Notice of a meeting of the directors may be given to a director (and the Observer, if so appointed) either personally or by word of mouth or in writing or by electronic communication, or by any other means authorised by the director concerned.
- 20.9 All or any of the members of the board or any committee of the board (and the Observer, if so appointed) may participate in a meeting of the board or that committee by means of a conference telephone or other communication equipment which allows all persons participating in the meeting to hear and speak to each other throughout the meeting. A director so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and/or be counted in a quorum. An Observer so participating shall be deemed to be present in person at the meeting but shall not be entitled to vote and/or be counted in the quorum. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is located.
- 20.10 A resolution in writing signed by each director (or his alternate) entitled to vote on that resolution or by each member of a committee of the directors (whether as one instrument or as several identical instruments) shall be as valid as if it had been passed at a duly convened and held meeting of the directors or (as the case may be) that committee. Regulation 93 shall not apply.
- 20.11 If any question arises at any meeting of directors or of a committee of directors as to the right of any director to vote, and that question is not resolved by his voluntarily agreeing to abstain

from voting, the question shall be referred to the chairman of the meeting (or, if the director concerned is the chairman, to the other directors at the meeting). The ruling of the chairman in relation to any director other than himself (or, as the case may be, the ruling of the majority of the other directors in relation to the chairman) shall be final and binding. Regulation 98 shall not apply.

20.12 Regulation 96 shall not apply.

## 21. **OFFICIAL SEAL**

The Company may exercise all the powers conferred by the Act with regard to having any official seal, and those powers shall be vested in the directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the directors may from time to time determine.

## 22. **ACCOUNTS**

Any member shall be entitled, on giving not less than 48 hours' prior notice to the Company, either through itself or through duly authorised agents, to inspect and take copies of any accounting record or other book or document of the Company. The Company may make a reasonable charge for any copies taken. Regulation 109 shall not apply.

## 23. **CAPITALISATION OF PROFITS**

Regulation 110(c) shall apply as if the words "or ignore fractions altogether" were inserted after the words "distributable under this regulation in fractions".

## 24. **NOTICES**

24.1 Regulation 111 shall apply as if the words "(including, without limitation, any consent, approval or other document)" were inserted after the words "Any notice" in the first sentence of that Regulation and as if the words "given personally or by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail" were inserted after the words "in writing" in the first sentence of that Regulation.

24.2 Notices given by a company pursuant to these Articles may be signed on its behalf by an officer of the company or by its duly appointed attorney.

24.3 Notices to the Company shall be sent to the office, marked for the attention of the secretary.

24.4 Regulation 112 shall apply as if the words "first class" were inserted after the word "prepaid" in the first sentence of that Regulation and as if the words "or (in the case of a registered address outside the United Kingdom) by airmail in a prepaid envelope" were inserted after the

words "sending it by post in a prepaid envelope" and as if the words "but otherwise no such member shall be entitled to receive any notice from the Company" were deleted. Regulation 115 shall apply as if the last sentence was deleted.

24.5 Regulation 116 shall apply as if the words "within the United Kingdom" were deleted.

**25. INDEMNITY**

25.1 Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every director, alternate director and other officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without limitation) a liability incurred:

25.1.1 defending proceedings (whether civil or criminal) in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without the finding or admission of material breach of duty on his part, or

25.1.2 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.

Regulation 118 shall not apply.

25.2 The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director or other officer or employee, or former director, alternate director, officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of any pension fund or retirement, death or disability scheme or another trust in which a director, alternate director, officer or employee or former director, alternate director, officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.