

Company No 5104223

**THE COMPANIES ACTS 1985 TO 2006  
COMPANY LIMITED BY SHARES**

**STAFFCARE LIMITED**

**("Company")**

**Written Resolutions**

The following Resolutions were duly passed by way of Written Resolution on 17/12/2007 pursuant to Chapter 2 of Part 13 of the Companies Act 2006

**Special Resolution**

That new Articles of Association of the Company in the form of the draft annexed hereto be and are hereby adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.

**Ordinary Resolution**

That the pre-emption provisions contained in Article 9 of the Company's Articles of Association shall not apply to the issue of 21,130 Ordinary Shares in the capital of the Company to Aon Consulting Limited



Signed by Philip Hollingdale - Director  
For and on behalf of Staffcare Limited

Date 17 December 2007

THURSDAY



A46 20/12/2007 488  
COMPANIES HOUSE

**COMPANIES ACTS 1985 AND 1989  
COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION  
OF  
STAFFCARE LIMITED**

**(Adopted by Special Resolution passed on 17 December 2007)**

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**Company number: 05104223**

**COMPANIES ACTS 1985 AND 1989**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**STAFFCARE LIMITED**

**(Adopted by Special Resolution passed on 17 December 2007)**

**1. PRELIMINARY**

1.1 In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended prior to the adoption of these Articles.

1.2 The regulations contained in Table A will apply to the Company except in so far as they are excluded or varied in, or are inconsistent with, these Articles.

1.3 The following regulations of Table A will not apply to the Company. 3, 5, 12, 14, 16, 23 to 25, 32, 34 to 55, 57, 60 to 62, 64 to 82, 84 to 98, 110 to 112 and 115 In addition to the remaining regulations of Table A, as varied in these Articles, the following will be the Articles of Association of the Company.

1 4 In these Articles, any confirmation required to be given by Herald may be validly given either.

(a) by the Investor Director (if appointed); or

(b) by Herald.

**2. DEFINITIONS AND INTERPRETATION**

2 1 In these Articles

"Acceptance Notice" has the meaning given to it in Article 14 1(j),

"Act" means the Companies Act 1985 as amended by the Companies Act 1989, including any statutory re-enactment or modification from time to time in force;

"Additional Shares" has the meaning given to it in Article 9.1;

**"Associated Company"** means, in respect of any corporate Member, any company which is a subsidiary or holding company of that corporate Member, or a subsidiary of that holding company (from time to time);

**"Auditors"** means the auditors for the time being of the Company;

**"Bad Leaver"** means an Employee Member who ceases to be an Employee, but is not a Good Leaver;

**"Board"** means the board of directors of the Company from time to time or any duly constituted and authorised committee thereof;

**"Business Day"** means any day (not being a Saturday or Sunday) when banks are open in the City of London for the transaction of general banking business;

**"Called Shareholders"** has the meaning given to it in Article 17.1;

**"Chairman"** means the Chairman of the Board from time to time;

**"Company Secretary"** means the company secretary of the Company from time to time,

**"Compulsory Sellers"** has the meaning given to it in Article 15.1;

**"Drag Along Notice"** has the meaning given to it in Article 17.2;

**"Drag Along Offer"** has the meaning given to it in Article 17.1;

**"Drag Along Right"** has the meaning given to it in Article 17.1;

**"Drag Along Sellers"** has the meaning given to it in Article 17.1;

**"Employee"** means an individual who is employed by, or is a director of, the Company or any of its subsidiaries or an individual whose services are made available to the Company or any of its subsidiaries (and **"employment"** shall be construed accordingly to include such an arrangement);

**"employee benefit trust"** means a trust established (with the prior written approval of the Investor Director) for the purpose of enabling or facilitating transactions in Shares between, and/or the acquisition of beneficial ownership of such Shares by, any of the following persons

- (a) the bona fide employees or former employees of the Company or of any subsidiary of the Company; or
- (b) the wives, husbands, widows, widowers, children or stepchildren under the age of 18 of any such employees or former employees;

**"Employee Member"** means any person, other than David Lewis, who is or has been an Employee and has been allotted and issued Shares by the Company,

**"Excluded Person"** means:

- (a) any Employee whose employment or directorship with the Company (or any subsidiary of the Company) is subject to notice of termination,
- (b) any person who was, but has ceased to be, an Employee;
- (c) any Related Party of any person within (a) or (b) above;

**"Family Members"** means, in relation to any person, the spouse, parent and every child and remoter descendant of that person (including stepchildren and adopted children),

**"Family Trust"** means, in relation to any person, trusts established by that person in relation to which only such person and/or Family Members of that person are capable of being beneficiaries thereof;

**"Financial Year"** means each financial year or other accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;

**"First Acceptance Period"** has the meaning given to it in Article 14 1(f);

**"first offer"** has the meaning given to it in Article 9 1(a);

**"first offer period"** has the meaning given to it in Article 9.1(a),

**"Good Leaver"** means an Employee Member who ceases to be an Employee in any of the following circumstances

- (a) retirement on reaching retirement age in accordance with his terms of employment (provided that David Lewis shall neither be a Good Leaver, nor a Bad Leaver, upon his retirement on reaching retirement age);
- (b) death;
- (c) illness (including mental illness), disability, permanent incapacity through ill health, in all cases of the Employee Member where that illness, disability or permanent incapacity is certified in writing by a doctor approved for these purposes by the Board,
- (d) redundancy;
- (e) dismissal (including constructive dismissal) otherwise than in circumstances where the Company is entitled to terminate the Employee Member's contract of employment summarily (save where the only ground for such dismissal is that the Employee Member behaves in a manner (whether on or off duty) which is likely to bring the Company or any Associated Company of the Company into disrepute or prejudice its interests or which seriously impairs his ability to perform his duties); and

(f) the sale or disposal of the subsidiary, or business, of the Company by which he is employed;

**"Herald"** means Herald GP II Limited acting as general partner of and manager for and on behalf of Herald Ventures II Limited Partnership or its successors in title;

**"Investor Director"** means a director appointed by Herald pursuant to Article 27.3;

**"Listing"** means the earlier of (i) the effective admission of the Ordinary Shares (and/or other securities representing Ordinary Shares) to the official list of the UK Listing Authority (being the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000) and their admission to trading on the Stock Exchange's market for listed securities, and (ii) the grant of effective permission by the Stock Exchange for dealings to take place in the same on the Alternative Investment Market of the Stock Exchange, and (iii) the commencement of dealings in the same on Nasdaq or Nasdaq Europe or any other recognised investment exchange,

**"Member"** means any holder for the time being of Shares and/or, where so specified in these Articles, Share Warrants;

**"Non-Herald Members"** means the holders from time to time of the Ordinary Shares, other than (if Herald is at that time an Ordinary Shareholder) Herald,

**"Offeror"** has the meaning given to it in Article 17.1;

**"offerees"** has the meaning given to it in Article 9.2,

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares and/or, where so specified in these Articles, Share Warrants,

**"Ordinary Shares"** means the ordinary shares of £0 001 each in the capital of the Company,

**"Permitted Options"** means those options over Ordinary Shares which have been granted to Employees on or before the date of adoption of these Articles and any other options over Ordinary Shares which are granted to Employees (provided that those options shall qualify as an enterprise management incentive in accordance with the provisions of schedule 5 of the Income Tax (Earnings & Pensions) Act 2003 and are issued in a form approved by the Investor Director), provided that the aggregate number of Ordinary Shares which would be issued by the Company upon exercise of all such options does not exceed 15% of the issued share capital of the Company (following such exercise), in each case as authorised by the Board from time to time;

**"Preference Dividend"** has the meaning given to it in Article 4 1(a),

**"Preference Dividend Date"** has the meaning given to it in Article 4 1(c);

**"Preference Shareholders"** means the holders from time to time of the Preference Shares;

**"Preference Shares"** means the five and three quarters per cent cumulative redeemable non-participating preference shares of £1 00 each in the capital of the Company, having the specific rights set out in Articles 3, 4, 5 and 6;

**"Prescribed Price"** means:

- (a) in respect of Shares to be sold pursuant to Article 15, the price per Sale Share of the relevant class determined in accordance with that Article, and
- (b) in all other cases, the price per Sale Share of the relevant class specified in the relevant Transfer Notice or (if no price is specified) the price per Sale Share agreed or determined pursuant to Article 14.1(b),

**"Proportionate Percentage"** means, as to any Ordinary Shareholder, that percentage of the issued Ordinary Shares (including any Ordinary Shares that may be issued upon exercise of the Share Warrants but excluding Ordinary Shares to be issued upon exercise of Permitted Options) represented by such Ordinary Shareholder's then holding of Ordinary Shares (including any Ordinary Shares that may be issued upon exercise of any Share Warrants held by such Ordinary Shareholder but excluding Ordinary Shares to be issued upon exercise of any Permitted Options held by such Ordinary Shareholder);

**"Purchaser"** has the meaning given to it in Article 16 1,

**"Realisation"** means a Listing or a Sale;

**"recognised investment exchange"** means an investment exchange in respect of which a recognition order has been made under section 290 of the Financial Services and Markets Act 2000,

**"Redemption Date"** means any date or time when Preference Shares are to be redeemed in accordance with Article 6 1;

**"Redemption Moneys"** has the meaning given to it in Article 6 2(d);

**"Related Party"** means, in respect of any person:

- (a) that person's personal representatives; or
- (b) any Family Member of that person; or
- (c) the trustee(s) of a Family Trust of that person; or
- (d) any nominee of any of the above,

**"Relevant Preference Dividend"** has the meaning given to it in Article 4.1(d);



**"Relevant Shares"** means (so far as the same remain held by the trustees of any Family Trusts or by any Transferee Company) the Ordinary Shares originally transferred to the trustees or Transferee Company and any additional Ordinary Shares either issued to such trustees or Transferee Company by way of capitalisation or acquired by such trustees or Transferee Company in exercise of any right or option granted or arising by virtue of the holding of the Relevant Shares or any of them or the membership thereby conferred,

**"Sale"** means

- (a) the sale of all of the issued Ordinary Shares to a single purchaser (or to one or more purchasers as part of a single transaction); or
- (b) the sale of less than all of the issued Ordinary Shares in circumstances where the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale becoming unconditional be) entitled to acquire that part of the issued Ordinary Shares not agreed to be acquired pursuant to such agreement or agreements in accordance with the provisions of Part XIII A of the Companies Act 1985 or pursuant to the provisions of Article 17, or
- (c) the sale of all or a substantial part of the assets of the Company,

**"Sale Shares"** has the meaning given to it in Article 14 1(b),

**"Second Acceptance Period"** has the meaning given to it in Article 14 1(h);

**"second offer period"** has the meaning given to it in Article 9 1(c);

**"Seller"** has the meaning given to it in Article 14 1(b),

**"Shares"** means the Ordinary Shares or the Preference Shares or any other class of shares for the time being in the capital of the Company;

**"Share Warrants"** means such warrants as are or may be issued to Herald to subscribe for up to 851 Ordinary Shares in aggregate,

**"Stock Exchange"** means London Stock Exchange Plc,

**"Subscription and Shareholders Agreement"** means the agreement entered into on the date of adoption of these Articles between (1) the persons described therein as Founders (2) Little Bear Limited (3) Herald and (4) the Company, as amended, supplemented, adhered to or restated from time to time;

**"Subscription Price"** means, in respect of any Share, the amount paid or credited as paid up on that Share, including sums paid, or credited as paid, by way of premium;

**"Tag Along Offer"** shall have the meaning given to it in Article 16.1,

**"Transferees"** has the meaning given to it in Article 14.1(j);

**"Transferee Company"** means a company for the time being holding Shares in consequence of a transfer or series of transfers of Shares between Associated Companies (the relevant Transferor Company in the case of a series of transfers being the first transferor in that series);

**"Transfer Notice"** has the meaning given to it in Article 14.1(b),

**"Transferor Company"** means a company (other than a Transferee Company) which has transferred Shares to an Associated Company.

2.2 In these Articles, unless the context requires otherwise or expressly stated otherwise, any reference to

- (a) an **Article** is to an individual article of these Articles;
- (b) a **statute** or **statutory provision** includes any consolidation, re-enactment, modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under the same from time to time;
- (c) the **masculine, feminine** or **neuter** gender respectively includes the other genders, references to the singular include the plural (and vice versa),
- (d) a **person** includes any individual, firm, corporation, unincorporated associations, government, state, association, partnership or joint venture (whether or not having separate legal personality),
- (e) a **document** is to that document as varied, supplemented or replaced from time to time,
- (f) **writing** shall include any modes of reproducing words in a legible and non transitory form;
- (g) **sterling** or **£** or **pounds** is to the lawful currency of the United Kingdom; and
- (h) a **time of the day** is to London time and references to a day are to a period of 24 hours running from midnight to midnight;
- (i) a **transfer** of any Share shall mean the transfer, sale or disposal of either or both of the legal or beneficial ownership of the Share and shall include
  - (i) the grant of an option to acquire either or both of the legal or beneficial ownership of that Share;
  - (ii) any sale or other disposition of any legal or equitable interest in that Share (including any voting right attaching to it);
  - (iii) any direction (by way of renunciation or otherwise) by a person entitled to an allotment or issue of that Share that it be allotted or issued to another person,

- (iv) any grant of any encumbrance over that Share, and
  - (v) any agreement to effect any of the same;
  - (j) any **agreement, consent, direction, waiver, nomination, election or appointment** to be made or given by a person shall be in a written document signed by or on behalf of such person, and
  - (k) a Share being fully paid are to a Share being fully paid or credited as fully paid as to its nominal value and any premium payable on such share as a term of issue.
- 2.3 The headings to the Articles are inserted for convenience only and shall not affect their construction.
- 2.4 In these Articles, unless the context otherwise requires, words and expressions defined in the Act shall bear the meanings ascribed to them in that Act as in force on the date of adoption of these Articles
- 2.5 Where pursuant to any provision of these Articles any notice, appointment of proxy or other document contained in an electronic communication is required to be signed or executed by or on behalf of any person, that signature or execution shall include the affixation by or on behalf of that person of an electronic signature (as defined in the Electronic Communications Act 2000) in such form as the Board may approve.
- 3 SHARE CAPITAL**
- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £2,600,000 divided into.
- (a) 100,000,000 Ordinary Shares; and
  - (b) 2,500,000 Preference Shares
- 3.2 The rights and restrictions attaching to and imposed on the Preference Shares and the Ordinary Shares are set out in Articles 4 to 6 below.
- 3.3 The Company may by ordinary resolution:
- (a) increase its share capital by new Shares of such amount as the resolution prescribes,
  - (b) consolidate and divide all or any of its share capital into Shares of larger amounts than its existing Shares;
  - (c) subject to the provisions of the Act, sub-divide its Shares, or any of them, into Shares of smaller amounts and the resolution may determine that, as between the Shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and

- (d) cancel Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the Shares so cancelled
- 3.4 Subject to the provisions of the Act, the Company may by special resolution reduce its issued share capital, any capital redemption reserve and any share premium account in any way.
- 3.5 Subject to the provisions of the Act, any Shares of a class within the capital of the Company as authorised from time to time may be issued on terms that they are to be, or at the option of the Company or a member holding such Shares are liable to be, redeemed on such date or between such dates as the Board may fix before the issue of such Shares and on such terms and conditions as are contained in or, as to the amount payable on redemption, determined in accordance with the Articles.
- 3.6 The Company will have power to purchase its own Shares (whether issued on the terms that they are to be, or are liable to be, redeemed or not) subject to the requirements of sections 162 to 170 (inclusive) of the Act.
- 3.7 The Company will have power to redeem or purchase its own Shares out of capital, subject to the provisions of sections 171 to 177 (inclusive) of the Act
- 3.8 Except as required by law, and even when the Company has express notice, no person will be recognised by the Company as holding any Share upon any trust and (except as otherwise provided by these Articles or by law) the Company will not be bound by or recognise any interest in any Share except an absolute right to the entirety of it in the holder.
- 3.9 The second sentence of regulation 6 in Table A shall be substituted by the following

"Every certificate shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and the amount paid up thereon, and such a certificate signed by a Director of the Company together with the secretary or a second Director shall be evidence of the title of the registered holder to the Shares, whether or not the common seal of the Company (if it has one) has been affixed and regardless of any words in the certificate referring to a seal".

#### 4 INCOME AND CAPITAL

##### 4.1

- (a) The Preference Shares shall confer upon the Preference Shareholders (as a class) the right to receive a fixed cumulative preferential dividend (the "**Preference Dividend**") on each Preference Share at the rate of five and three quarters per cent. per annum (exclusive of the imputed tax credit available to the holders thereof) on the Subscription Price thereof, calculated and paid in accordance with this Article 4.1.

- (b) The Preference Dividend shall accrue on a daily basis on each Preference Share from and after the date of issue of such Preference Share and shall be payable in full in priority to any payment by way of dividend to the holders of any Ordinary Shares or any other Shares in the capital of the Company. Subject to the provisions of these Articles, Preference Dividends shall be paid in cash on the date upon which the Preference Shares are redeemed in accordance with Article 6 (in respect only of Preference Shares redeemed on that date) calculated down to (and including) the Redemption Date.
  - (c) The Preference Shares shall not confer on the holders thereof any further entitlement to any participation in the profits of the Company
- 4.2 After the payment in accordance with Article 4.1 of any and all arrears of the Preference Dividend, then (subject to the provisions of these Articles and to the provisions of regulations 102 to 108 of Table A) the balance of the profits of the Company lawfully available for distribution and resolved to be distributed shall be applied in paying a dividend to the Ordinary Shareholders and shall be distributed among the Ordinary Shareholders pro rata to the number of Ordinary Shares respectively held by them; provided that no such distribution will be made while any Preference Share is outstanding
- 4.3 On a return of assets on liquidation or otherwise (save on the redemption of Shares of any class or the purchase by the Company of its own Shares) any sums or debts which have become due in accordance with Articles 4.1 and 4.2 shall only be paid in accordance with the provisions of this Article 4.3, and the assets of the Company available for distribution to shareholders remaining after payment of all other debts and liabilities of the Company and of the costs, charges and expenses of such liquidation or other event, shall be applied in the following manner and order of priority:
  - (a) first, in paying to the Preference Shareholders (in proportion to the number of Preference Shares respectively held by them) any arrears and accruals of any Preference Dividend (including interest due thereon), such arrears and accruals to be calculated up to and including the date of payment and to be payable irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such arrears and accruals have become due and payable in accordance with the provisions of Article 4.1;
  - (b) second, in paying to the Preference Shareholders (in proportion to the numbers of Preference Shares respectively held by them) the Subscription Price of such Preference Shares;
  - (c) last, in distributing the balance (if any) among the holders of the Ordinary Shares pro rata to the number of Ordinary Shares respectively held by them.
- 4.4 In the event of a Sale, and despite anything to the contrary in the terms and conditions governing the Sale (unless all the Shareholders selling Shares in the

Sale have agreed to the contrary for the purposes of this Article 4.4), the Shareholders shall procure that the consideration for the Sale shall be held, whenever received and in whatever form, by a trustee nominated by the Board and shall be distributed amongst the Shareholders in the same order of priority as set out in Article 4.3 and on the following basis

- (a) as if the Sale were a return of capital for the purposes of Article 4.3,
- (b) as if the consideration for the Sale represented all the assets of the Company available for distribution to holders of Shares

4.5 In the event that an Ordinary Shareholder accepts a Tag Along Offer made to him pursuant to Article 16.1 which does not subsequently form part of a Sale, the proceeds resulting from the transfer or series of related transfers of which the transaction proposed in the Tag Along Offer forms part shall be divided amongst the holders of the Ordinary Shares which are the subject of such transfer or related transfers as if such proceeds were the proceeds of a return of capital to which Article 4.3 applied.

## **5. VOTING**

5.1 A holder of Preference Shares shall be entitled to receive notice of general meetings but not to attend or vote thereat by virtue of his holding of Preference Shares unless the business of the meeting includes a resolution or resolutions:

- (a) for winding-up the Company; or
- (b) for effecting a reduction in the capital of the Company; or
- (c) affecting, altering or abrogating the rights or privileges or restrictions attached to the Preference Shares,

in which event the Preference Shares shall entitle the holders thereof to attend in order to vote (and to vote, with each holder of a Preference Share present in person or by proxy or corporate representative entitled to one vote for every Preference Share of which such person is the holder) on any such resolutions only

5.2 Each holder of Ordinary Shares (including for these purposes Share Warrants) present in person or by proxy or other duly authorised representative permitted by these Articles shall be entitled on a show of hands to one vote and on a poll to one vote for every Ordinary Share of which such person is the holder (or in respect of which Share Warrants are held).

## **6 REDEMPTION**

6.1 Subject to the provisions of the Act:

- (a) the Company shall have the right (subject to the provisions of the Act and with the consent or sanction of the Preference Shareholders) to redeem all or any of the Preference Shares for the time being outstanding and fully paid up;

- (b) prior to, on or within 10 Business Days after a Sale (but subject to the terms of Article 4.4) or a Listing, the Preference Shares then in issue shall be redeemed in full,
  - (c) the Company shall, on each of the dates shown below, redeem the number of Preference Shares shown opposite that date (to the extent not previously redeemed).
- |                  |  |
|------------------|--|
| 31 December 2008 | 250,000  |
| 31 December 2009 | 250,000  |
| 31 December 2010 | the balance of the Preference Shares then in issue |

6.2 The procedure for redemption of the Preference Shares shall be as follows

- (a) the Company shall give to the holders of the Preference Shares prior notice in writing of an impending Redemption Date which in the case of a redemption pursuant to.
  - (i) Article 6.1(a), shall be not less than 20 Business Days;
  - (ii) Article 6.1(b), shall be not less than 20 Business Days before the expected date of the Realisation; and
  - (iii) Article 6.1(c), shall not be less than 10 Business Days,
- (b) any notice of an impending Redemption Date given under Article 6.2(a) shall specify the particular Preference Shares to be redeemed, the date fixed for redemption or if not then known the expected date for redemption and the place at which the certificates for those Preference Shares are to be presented for redemption;
- (c) on that Redemption Date, each of the holders of the Preference Shares to be redeemed shall be bound to deliver to the Company at the place specified in that notice of redemption the certificates for the Preference Shares to be redeemed in order that the same may be cancelled, or shall deliver an indemnity (in terms satisfactory to the Company) in respect of any lost certificate;
- (d) upon that delivery, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register of members in respect of those Preference Shares) the amount due to him in respect of that redemption (as set out in Article 6.3) ("**Redemption Moneys**") against the delivery of a proper receipt for those Redemption Moneys,
- (e) if any certificate so delivered to the Company includes any Preference Shares not falling to be redeemed on the relevant Redemption Date, a fresh certificate for those Preference Shares shall be issued to the holder (or, as the case may be, holders) as soon as practicable after that certificate (or, if

the certificate has been lost, an indemnity in terms satisfactory to the Company) has been delivered to the Company.

- 6.3 There shall be paid on the redemption of each Preference Share pursuant to Article 6.1, the Subscription Price, and all arrears and accruals of Preferred Dividend payable on those Preference Shares calculated up to and including the Redemption Date which amount shall at that time, irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such sums have become due and payable in accordance with Article 4.1, become a debt due from the Company to the holders of the Preference Shares being redeemed and shall carry interest calculated at the rate of five and three quarters per cent. per annum accruing on a daily basis in the period from the due date to the date of actual payment.
- 6.4 In the event of a partial redemption pursuant to Article 6.1 or in the circumstances referred to in Article 6.7, the Preference Shares to be redeemed shall be selected as nearly as may be to ensure that the number of Preference Shares of each Preference Shareholder is reduced by that redemption in the same proportion.
- 6.5 The Preference Dividend payable on each Preference Share becoming liable to be redeemed under the provisions of this Article 6 shall cease to accrue as from the Redemption Date. As from the end of the Redemption Date each of those Preference Shares shall be cancelled and shall cease to confer any rights upon its holder except the right to receive the Redemption Moneys.
- 6.6 If any Preference Shareholder whose Preference Shares are liable to be redeemed under this Article 6 shall fail or refuse to deliver up the certificate for his Preference Shares (or an indemnity in respect of any lost certificate in terms satisfactory to the Company), the Company may retain the Redemption Moneys until delivery up of the certificate or indemnity (as the case may be) and shall within seven days after delivery pay (by cheque despatched at the holder's risk) the Redemption Moneys to that Preference Shareholder. No Preference Shareholder shall have any claim against the Company for interest on any Redemption Moneys so retained.
- 6.7 If the Company shall be unable in compliance with the provisions of the Act to redeem all or any of the Preference Shares in accordance with the provisions of these Articles on the date or dates specified in these Articles, the Company shall on the due dates redeem as many of the Preference Shares as can consistently with the Act be redeemed and shall redeem the balance of those Preference Shares as soon after that date or those dates as the Company shall be able to comply with the relevant provisions of the Act.

## **7. CLASS RIGHTS**

- 7.1 Subject to the other provisions of these Articles, if at any time the share capital of the Company is divided into different classes of Shares, the special rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the approval of an extraordinary resolution passed at a separate class meeting of the holders of the issued Shares of



that class, or with the consent in writing of three quarters or more in nominal value of the issued Shares of that class (or such higher percentage as may be required by the Act).

- 7.2 The provisions of these Articles relating to general meetings shall apply, *mutatis mutandis*, to every separate class meeting referred to in Article 7.1, but the necessary quorum shall be two persons holding or representing by proxy or corporate representative at least one third in nominal value of the issued Shares of the class (however, if at any adjourned meeting of such holders a quorum as defined above is not present, those members who are present shall constitute a quorum) and any holders of Shares of the class present in person or by proxy may demand a poll and on a poll each Share concerned shall carry one vote provided that, where there is only one holder of the issued Shares of the relevant class, a quorum shall exist if that holder alone is present in person or by proxy or corporate representative.
- 7.3 Without prejudice to the generality of this Article 7, the rights attaching to the Preference Shares shall be deemed to be varied by any alteration to the provisions of Articles 4 1, 4.3, 5 1, 6, 7.1, 7.2 and 7.3.
- 7 4 In exercising any class rights as the holder of any particular class of Share, such holder shall be entitled to exercise such rights in its absolute discretion as such holder sees fit including, for the avoidance of doubt, without regard to the interests of any other holder of the same class of Shares or the rights of holders of that particular class as a whole.
- 7 5 The following events will not constitute a variation of the rights attached to any class of Shares unless the terms of issue of that class expressly provide otherwise or unless the provisions of these Articles are not followed
- (a) the issue of Shares of any class additional to Shares of that class previously issued; and
  - (b) the creation or issue of Shares of a different class to that (in the case where there is only one class of Shares) in issue or to those (in any case where there are more than one class of Shares) in issue, regardless of whether such class of Shares created or issued rank senior or prior to any such class of Shares in issue.

## **8. AUTHORITY TO ALLOT**

- 8.1 The unissued Shares in the capital of the Company for the time being shall be under the control of the Board, which is hereby generally and unconditionally authorised to allot, grant options over, or otherwise dispose of or deal with any unissued Shares and relevant securities (as defined in Section 80(2) of the Act) to such persons, on such terms and in such manner as it shall think fit, but subject to the other provisions of these Articles.

- 8.2 The authority contained in Article 8 1, insofar as the same relates to relevant securities (as defined in Section 80(2) of the Act) shall, unless revoked or varied by the Company in accordance with Section 80 of the Act:
- (a) be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the date of adoption of these Articles; and
  - (b) expire on the fifth anniversary of the date of adoption of those Articles but without prejudice to any offer or agreement made before that anniversary which would or might require the exercise by the Board after such anniversary of their powers in pursuance of the said authority.
- 8 3 In exercising its authority under this Article, the Board shall not be required to have regard to Section 89(1) or (insofar as the exclusion of the application of such sub-sections is permitted by the Act) Section 90(1) to (6) (inclusive) of the Act which provisions shall not apply to the Company.

## 9. NEW SHARE ISSUES

- 9.1 Notwithstanding any other provisions of these Articles, but subject to Article 9 3, the Company shall not, without the prior approval of the Investor Director and Ordinary Shareholders holding at least 50% of the Ordinary Shares, allot or sell any Shares or any securities convertible into or exchangeable for any Shares, issue or grant any options or warrants for the purchase of, or enter into any agreements providing for the issuance (contingent or otherwise) of, any Shares or any securities convertible into or exchangeable for any Shares, (collectively, "Additional Shares") unless, before allotment, the Company offers to each Ordinary Shareholder and each holder of Share Warrants its Proportionate Percentage of such Additional Shares (as nearly as may be without involving fractions) as follows
- (a) the offer (the "**first offer**") shall be made by notice in writing to all the Ordinary Shareholders and holders of Share Warrants specifying the number and class and subscription price of the Additional Shares on offer and limiting the time (not being less than 20 Business Days) within which the first offer may be accepted (the "**first offer period**");
  - (b) acceptances shall be given to the Company by notice in writing and in such acceptance the applicant shall state the number of the Additional Shares on offer which such applicant is willing to subscribe for, not to exceed its Proportionate Percentage of such Additional Shares; and
  - (c) any Shares so offered remaining unaccepted at the expiry of the first offer period shall forthwith thereafter be offered for subscription to those holders who have accepted the first offer in full, for acceptance by them within 5 Business Days (the "**second offer period**") on terms that in the case of competition the Ordinary Shares so offered shall be allotted to the applicants (as nearly as may be without involving fractions or increasing

the number allotted to any applicant beyond that applied for by such applicant) in proportion to their respective Proportionate Percentage

9.2 If all or any of the unissued Additional Shares to which Article 9.1 applies are not taken up in accordance with the provisions of Article 9.1, the Board may, with the consent of the Investor Director, offer such Additional Shares to such persons as it may select ("offerees") and, subject to these Articles and to the provisions of the Act, such Additional Shares shall be at the disposal of the Board which may, subject to the consent of the Investor Director, allot, grant options over or otherwise dispose of them to such offerees at such times and generally on such terms and conditions as it thinks proper, provided that

- (a) no such Additional Shares shall be issued more than three months after the expiry of the second offer period unless the procedure set out in Article 9.1 is repeated in respect of such Additional Shares;
- (b) no such Additional Shares shall be issued at a price less than that at which, or on terms generally more favourable to the offerees than those upon which, they were offered in accordance with Article 9.1; and
- (c) if the Board is proposing to issue such Additional Shares wholly or partly for non-cash consideration, the fair market value of such consideration shall be as reasonably determined by the Board in good faith whose determination shall be final and binding on the Company and each of its members.

9.3 The provisions of Article 9.1 shall not apply to:

- (a) the grant of Permitted Options nor to the allotment of Ordinary Shares on exercise thereof,
- (b) the allotment of Ordinary Shares on exercise of the Share Warrants

9.4 No Ordinary Shareholder may transfer his rights under this Article 9 other than in connection with a transfer of such holding of Ordinary Shares permitted in accordance with these Articles.

## 10 **LIEN**

The lien conferred by regulation 8 of Table A will also attach to fully paid-up Shares registered in the name of any person indebted or under liability to the Company, whether he is the sole holder or is one of two or more joint holders of such Shares.

## 11 **CALLS ON SHARES**

11.1 Subject to the terms of allotment of Shares the directors may from time to time make calls upon the Members in respect of any moneys unpaid on their Shares (whether in respect of the nominal value of the Shares or by way of premium) that are not payable at fixed times under the terms of allotment.

- 11.2 Each Member will within 14 (fourteen) days' notice to such effect pay to the Company as required by the notice the amount called on his Shares. A call may be revoked or postponed in whole or part before receipt by the Company of any moneys due under it, as the directors may determine.
- 11.3 The holder of a Share at the time a call is due to be paid will be the person liable to pay the call and in the case of joint holders they will be jointly and severally liable.
- 11.4 If any amount payable in respect of a Share on allotment or at a fixed date (whether in respect of the whole or part of the nominal value of the share or by way of premium) is not paid on the date on which by the terms of issue the same becomes payable, the relevant provisions of these Articles and (insofar as applicable) Table A will apply as if that amount had become payable by virtue of a call duly made and notified

## **12 TRANSFER AND TRANSMISSION OF SHARES – GENERAL PROVISIONS**

- 12.1 The instrument of transfer of any Share must be in the usual form prescribed from time to time or, if none is so prescribed, then in the form (if any) determined by the directors. It will be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee. Such instrument of transfer shall be accompanied by any appropriate agreement of the transferee to be bound by the terms of the Subscription and Shareholders Agreement requiring the same as if such transferee were an original party thereto.
- 12.2 The directors may, in their absolute discretion and without giving any reason, decline to register any transfer of any Share, whether or not it is a fully paid Share, other than the transfers referred to in Articles 13, 14, 15, 16 and 17, but shall (subject to Article 12.4) register promptly any transfer of Shares made in accordance with such Articles.
- 12.3 The directors may also refuse to register a transfer unless:
- (a) it is lodged at the registered office or at another place determined by the directors, and is accompanied by the certificate for the Shares to which it relates (or, if lost or destroyed, an indemnity in a form reasonably satisfactory to the Board) and, where relevant, such other evidence as the directors may reasonably require to show that the transferor is the holder or a person entitled to execute the transfer under Article 12.6 below, and
  - (b) it is in respect of only one class of Shares; and
  - (c) it is in favour of not more than four transferees
- 12.4 For the purpose of ensuring that a particular transfer of Shares or any interest in any 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 provide the Company with such information and evidence as the

directors may reasonably consider necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within 21 days after such request the directors will be entitled to refuse to register the transfer in question.

- 12.5 If the directors refuse to register a transfer of a Share they will within two (2) months after the date on which the transfer was lodged with the Company send to the purporting transferor and the intended transferee notice of the refusal.
- 12.6 In the event of the death of any Member (unless Article 13 applies), or if any Member becomes bankrupt, or if a receiver is appointed having the power of sale over the property of a Member, (or, being a corporate Member, goes into liquidation or suffers the appointment of an administrator or an administrative receiver) the legal personal representative, trustee in bankruptcy, liquidator, receiver, administrative receiver or administrator (as the case may be) will, if and when called upon by the directors to do so, give a Transfer Notice in respect of all the Shares that are registered in the member's name and the provisions of Article 14 will apply accordingly. In such a case the Transfer Notice will be irrevocable.

### **13. PERMITTED TRANSFERS**

- 13.1 Subject to the provisions of Article 12, any Shares may at any time be transferred (without being subject to the provisions of Article 14)

- (a) by an Employee Member to a Family Member or to trustees to be held on Family Trusts of that Member;
- (b) by Herald:
  - (i) (being a Transferor Company) to an Associated Company, provided always that if any Transferee Company whilst it is a Member ceases to be an Associated Company of the Transferor Company, it will be deemed to have given a Transfer Notice immediately prior to that event in respect of all Relevant Shares, which will be irrevocable;
  - (ii) where Herald is, or holds shares as trustee, custodian or nominee for, or otherwise on behalf of, a partnership, unit trust or other fund (however constituted), to:
    - (A) the holders of units in, or partners in or members of or investors in such partnership, unit trust or fund;
    - (B) a partnership, unit trust or fund which has the same general partner, manager or adviser as such partnership, unit trust or fund, or whose general partner, manager or adviser is a member of the same group as the general partner, manager or adviser of such partnership, unit trust or fund;

- (C) a trustee, custodian or nominee for any such partnership, unit trust or fund as is referred to in paragraph (B) above;
  - (c) by Herald to a **"co-investment scheme"**, being a scheme under which certain officers, employees or partners of Herald or of its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares,
  - (d) by a co-investment scheme which holds Shares through a body corporate or another vehicle to
    - (i) another body corporate or another vehicle which holds or is to hold the Shares for the co-investment scheme, or
    - (ii) an officer, employee or partner entitled to the Shares under the co-investment scheme,
  - (e) by any Member, with the prior written consent of an Investor Director, to the trustee(s) or nominee for the time being of an employee benefit trust, or
  - (f) by the trustee(s) or nominees for the time being of an employee benefit trust, with the prior written consent of an Investor Director, to any beneficiary of such employee benefit trust; or
  - (g) by any Member in consequence of the acceptance of a Tag Along Offer made to that Member pursuant to Article 16 or pursuant to a Drag Along Notice given in the circumstances described in Article 17 1(a) (but not, for the avoidance of doubt, in the circumstances described in Article 17 1(b)).
- 13.2 Where Shares have been transferred under Article 13.1(a) or this Article 13.2 to trustees of Family Trusts, the trustees and their successors may transfer all or any of the Relevant Shares as follows:
- (a) on any change of trustees, the Relevant Shares may be transferred to the trustees for the time being of the Family Trusts concerned,
  - (b) pursuant to the terms of such Family Trusts or in consequence of the exercise of any power or discretion vested in the trustees or any other person, all or any of the Relevant Shares may be transferred to the trustees for the time being of any other Family Trusts of the same individual Member or deceased or former Member or to any Family Member of the relevant Member or deceased or former Member who has become entitled to the Shares proposed to be transferred,
  - (c) back to the original Employee Member
- 13.3 In the event that any Relevant Shares held by trustees cease to be held on Family Trusts (otherwise than where an authorised transfer of those Shares has been made) or by a Family Member the Member holding the Shares shall notify the directors in writing that that event has occurred and the Member shall be bound, if and when required in writing by the directors to do so, to give a Transfer Notice in

respect of the Relevant Shares (but without specifying a Prescribed Price and so that the right of revocation conferred by Article 14.1(d) shall not apply).

## 14 PRE-EMPTION ON TRANSFERS OF ORDINARY SHARES

### 14.1

- (a) Subject to the provisions of Article 13, no transfer of any Ordinary Share or any interest in any Ordinary Share will be made by any Ordinary Shareholder unless and until the provisions set out in this Article 14 are complied with in respect of that proposed transfer.
- (b) Save in the circumstances referred to in Article 13, any Ordinary Shareholder, or person entitled to Ordinary Shares by reason of the death or bankruptcy of any Ordinary Shareholder, who wishes to transfer any Ordinary Shares or any interest in any Ordinary Shares the ("**Seller**") will give to the Company written notice of his intention (a "**Transfer Notice**"). A Transfer Notice will constitute the Company the Seller's agent and attorney for the sale of the Ordinary Shares specified in the Transfer Notice ("**Sale Shares**") at a price specified by the Seller in the Transfer Notice or, if no price is specified in the Transfer Notice, as may be agreed between the Seller and the directors within 10 Business Days of receipt of the Transfer Notice by the Company or, in the absence of any such agreement within such time period, the price shall be referred for determination either by some person, firm or company nominated jointly for such purpose by the Company and the Seller or, failing agreement on such joint nomination within five Business Days after such agreement was sought, by an independent chartered accountant of at least 10 years standing to be nominated at the request of the Company or the Seller by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "**Expert**"). The Expert shall act as expert and not as arbitrator and shall determine what is in his opinion the fair value of the Shares as at the date on which the Transfer Notice is given (such date being determined in accordance with Article 32) as between a willing seller and a willing buyer contracting on arm's length terms having regard to the fair value of the business of the Company and its subsidiaries (if any) as a going concern but without taking into account (if it be the case) that the Sale Shares constitute a majority or a minority interest in the Company or any special rights or liabilities attaching to them by virtue of these Articles, or by virtue of any other agreement to which the Seller may be a party. The fair value as so determined or agreed between the directors and the Seller will constitute the Prescribed Price.
- (c) If the Auditors are asked to determine the Prescribed Price they will use all reasonable endeavours to determine the Prescribed Price within 30 days of their appointment. The Company will, as soon as it receives the Auditors' written determination, notify the Seller and supply him with a copy of the written determination and the Seller will be entitled (except where the Transfer Notice is given under Article 15 hereof) by notice in writing given

to the Company within 21 days of the service upon him of the said copy, to withdraw the Transfer Notice. The Auditors' determination will be binding upon all parties. The cost of obtaining the written determination will be borne by the Company unless the Seller withdraws the Transfer Notice in which event he will bear such cost. In the absence of fraud the Auditors will be under no liability to any person by reason of their determination or for anything done or omitted to be done by them for the purpose thereof or in connection therewith.

- (d) Except where it is given or deemed to be given under Articles 13.3 or 15, the Transfer Notice may contain a provision that, unless all the Sale Shares are sold pursuant to this Article 14, none will be sold, and that provision will be binding on the Company (a "**Total Transfer Condition**")
- (e) Save as otherwise provided in Article 14.1(c), a Transfer Notice given or deemed given under this Article 14.1 will be revocable only with the prior consent of the directors, who may impose such conditions for any consent as they think fit, including a condition that the Seller bears all costs arising from the giving of such Transfer Notice and the revocation thereof.
- (f) Upon the Prescribed Price being specified, agreed or determined in accordance with Article 14.1(b), and provided the Seller has not previously given notice of revocation of the Transfer Notice (if applicable), the Company will immediately, by notice in writing, offer to the other Ordinary Shareholders (including for the purposes of this Article, holders of Share Warrants) their respective Proportionate Percentage of the Sale Shares at the Prescribed Price, such offer to remain open for a period of 28 days from the date of the notice (the "**First Acceptance Period**");
- (g) If the other Ordinary Shareholders apply within the First Acceptance Period for all or any of the Sale Shares the Company will allocate the Sale Shares or such of the Sale Shares as are applied for amongst the other Ordinary Shareholders. Any Ordinary Shareholder who has not applied for any of the Sale Shares within the First Acceptance Period will be deemed to have declined.
- (h) If any of the Sale Shares remain unallocated following the allocation in (g) above the Company will immediately give a second notice in writing to each of the Ordinary Shareholders who applied for their full Proportionate Percentage within the First Acceptance Period informing them of the number of Sale Shares remaining and inviting each of them to state in writing within 14 days from the date of this second notice (the "**Second Acceptance Period**") whether they are willing to purchase any, and if so what maximum number, of the Sale Shares remaining.
- (i) If, within the Second Acceptance Period, Ordinary Shareholders apply for all or any of the Sale Shares, the Company will allocate such of the Sale Shares as are applied for to and amongst the applicants (and in case of competition, in proportion to their respective Proportionate Percentage as



nearly as may be without involving fractions or increasing the number allocated to any applicant beyond that applied for by such applicant).

- (j) If at the end of the Second Acceptance Period (if any) the Company has not received offers from the Ordinary Shareholders to purchase all the Sale Shares, the Directors shall be entitled to nominate within five days of the end of the Second Acceptance Period (the "**Nomination Period**") a third party or third parties (including, subject to it being legally able, the Company) to purchase the unsold Sale Shares at a price not less than the Prescribed Price.
- (k) If within the First Acceptance Period, the Second Acceptance Period (if any) or the Nomination Period (if any) all or any of the other Ordinary Shareholders (and any third party or parties nominated in accordance with Article 14 1(j)) (the "**Transferees**") accept the offer of all or (except if a Total Transfer Condition was included in the Transfer Notice) any of the Sale Shares, the directors will forthwith after the expiration of the First Acceptance Period or, if there is a Second Acceptance Period, after the expiration of the Second Acceptance Period, or if there is a Nomination Period, after the expiration of the Nomination Period, give notice in writing (the "**Acceptance Notice**") of such acceptance to the Seller and the Transferees and will specify in the Acceptance Notice the place and time (being not earlier than seven and not later than 21 days after the date of the Acceptance Notice) at which the sale of the relevant Sale Shares will be completed.
- (l) The Seller will be bound to transfer the relevant Sale Shares to the Transferees at the time and place specified in the Acceptance Notice and payment of the Prescribed Price for the relevant Sale Shares will be made by the Transferees to the Company as agent for the Seller. If the Seller fails to transfer the relevant Sale Shares the Chairman (or failing him the Company Secretary) will be deemed to have been appointed attorney for the Seller with full power to execute, complete and deliver, in the name of and on behalf of the Seller, a transfer of the relevant Sale Shares to the Transferees against payment of the Prescribed Price (and any stamp duty payable in respect of the transfer). On payment to the Company of the Prescribed Price (and relevant stamp duty) to the Company, the Transferees will be deemed to have obtained a good discharge for such payment and on execution and delivery of the transfer(s) the Transferees will be entitled to insist upon their respective names being entered in the register of members as the holders by transfer of, and to be issued with share certificates in respect of, the relevant Sale Shares. After the names of the Transferees have been entered in the register of members in exercise of the above-mentioned powers the validity of the proceedings will not be questioned by any person
- (m) The Company will be trustee for any moneys received as payment of the Prescribed Price from the Transferees and will promptly pay them to the Seller (subject to applying the same on his behalf in settling any fees or

expenses falling to be borne by the Seller) together with any balance certificate to which he may be entitled.

- (n) If the offer for the Sale Shares at the Prescribed Price has either.
  - (i) if a Total Transfer Condition was included in the Transfer Notice, not been accepted in full; or
  - (ii) if a Total Transfer Condition was not included in the Transfer Notice, been accepted in part only,

by the Transferees, or if any of the Sale Shares allocated are not paid for by the proposed Transferees on the date for completion specified in the Acceptance Notice, then the Seller (for a period of 13 weeks thereafter) will be entitled to transfer, where (i) applies, all of the Sale Shares or, where (ii) applies, those Sale Shares which were not the subject of acceptances or paid for, to any other person or persons but only if the directors are reasonably satisfied that such a sale is bona fide and that the true consideration paid is no lower than the Prescribed Price and subject always to the provisions of Article 12 3

14.2 If any Ordinary Shareholder becomes an Excluded Person the directors may at any time thereafter by notice in writing to that Ordinary Shareholder revoke any Transfer Notice given by that Ordinary Shareholder prior to it becoming an Excluded Person. These Articles shall thereafter operate as if no such notice had been given, provided that such revocation shall be without prejudice to any sale of Shares the subject of the Transfer Notice completed prior to such revocation.

14 3 Any director whose shareholding in the Company comprises the Sale Shares will not be entitled to vote at any board meeting at which a resolution considering such sale is proposed.

14.4 The restrictions imposed by this Article 14 may be waived in relation to any proposed transfer of Ordinary Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such Shares offered to them in accordance with Article 14 1

## 15. **COMPULSORY TRANSFER**

15 1 If any Employee ceases to be an Employee, the Investor Director may by notice in writing given at any time within the period of 90 days following the date of cessation require the former Employee (if a Member) and each Related Party of the former Employee who holds Shares (together the "Compulsory Sellers") to give a Transfer Notice in respect of all Shares registered in their respective names (irrespective of whether the Shares were so registered at the date of cessation, or were registered subsequently).

15.2 If a Transfer Notice is given under the provisions of this Article 15 (or deemed given under this Article 15 by virtue of Article 15 4):

- (a) the Transfer Notice shall not specify a Prescribed Price, the Prescribed Price shall be agreed by the Investor Director and the Compulsory Seller(s) or (in default of agreement within 10 (ten) Business Days of service, or deemed service, of the Transfer Notice) shall be determined as follows:
    - (i) if the former Employee was a Good Leaver, the Prescribed Price shall be determined in accordance with Article 14 1(b); or
    - (ii) if the former Employee was a Bad Leaver, the Prescribed Price shall be the lower of:
      - (A) the value of the Shares in question determined in accordance with Article 14.1(b), and
      - (B) the Subscription Price of those Shares (as that amount shall be adjusted to taken into account any consolidation or sub-division of the relevant class of share capital);
    - (iii) the Transfer Notice shall not be capable of revocation.
- 15.3 The restrictions imposed by this Article 15 may be waived with the consent of all Members who, but for such waiver, would or might have been entitled to have had Shares offered to them in accordance with Article 14.1.
- 15.4 If a Member is bound by Article 15.1 to give a Transfer Notice in respect of any Shares, if that Transfer Notice is not duly given within a reasonable period (to be determined at the sole discretion of the directors) of the obligation arising, a Transfer Notice shall, be deemed to have been given at the expiration of that period. Such a deemed Transfer Notice shall not be capable of revocation under Article 14.1(e)
- 15.5 In the event that any person ceases to be an Employee, but remains a Member, by virtue of the operation of Article 15 3 or any failure by the Investor Director to serve a compulsory transfer notice in accordance with Article 15 1, all Ordinary Shares registered in his or her name (and in the name of each Related Party of such former Employee holding Shares transferred to it (directly or indirectly) by such former Employee) at the date of the cessation of his or her employment shall, unless otherwise agreed by Herald, cease to carry any entitlement to vote.
- 16. TAG ALONG RIGHT**
- 16.1 No sale of Shares (other than as permitted pursuant to Article 13) which would result in a person (other than a Founder, as defined in the Subscription and Shareholders' Agreement) or persons acting in concert (a "**Purchaser**") holding 50% or more of the Ordinary Shares in issue (excluding, for these purposes, those Ordinary Shares which would be issued on exercise of the Permitted Options or the Share Warrants) shall be effective or registered by the Company unless, before the transfer of such Ordinary Shares is lodged for registration, the Purchaser shall have made a written offer (a "**Tag Along Offer**") to buy

- (a) all of the Ordinary Shares (including, if applicable, those Ordinary Shares held by Herald following exercise of the Share Warrants) for the same price per Ordinary Share and otherwise on the same financial terms;
- (b) save to the extent that the Preference Shares are to be redeemed by the Company in accordance with Article 4.5 out of the proceeds of the proposed sale, all of the Preference Shares held by Herald for an amount per Preference Share equal to the Subscription Price plus the amount of any arrears and accruals of any Preference Dividend payable in respect of that Preference Share (including interest due thereon), such arrears and accruals to be calculated up to and including the date of payment (irrespective of what profits (and of whether any profits) have been made or earned by the Company and irrespective of whether or not such arrears and accruals have become due and payable in accordance with the provisions of Article 4.1); and
- (c) any unexercised Share Warrants on terms substantially similar to those offered to the holders of the Ordinary Shares (and on terms no less favourable), save that the consideration for each Share Warrant shall be equal to the price per Ordinary Share offered to the holders of the Ordinary Shares multiplied by the number of Ordinary Shares which would be issued upon a full exercise of such Share Warrant less an amount equal to the exercise price payable upon such exercise

16.2 Any Tag Along Offer shall specify.

- (a) the price for the Ordinary Shares (and, if applicable, the Preference Shares) and any other principal financial terms of the sale;
- (b) the period (being no less than 10 days) for acceptance by Members; and
- (c) that Herald shall not be required to give any warranties or indemnities in respect of the Company or any subsidiary of the Company.

and for the avoidance of doubt, be transmitted to Members together with a notice under Article 14.1(b)

## 17 DRAG ALONG RIGHTS

17.1 If:

- (a) at any time, Herald and one or more other Ordinary Shareholders who, together with Herald, hold at least 50% of the Ordinary Shares, or
- (b) at any time after the expiry of the period of five years from the date of adoption of these Articles (but subject always to Article 13), Herald alone,

(in each case, the "**Drag Along Sellers**") propose(s) to sell all of its or their respective Ordinary Shares, the Drag Along Sellers shall have the right ("**Drag Along Right**") to require all of the other Ordinary Shareholders and every person holding an option (or other right) to subscribe for Ordinary Shares ("**Called**

**Shareholders")** to sell all of their Ordinary Shares to the proposed purchaser (or his nominee) ("**Offeror**") at the price per Ordinary Share specified in the Drag Along Notice ("**Drag Along Offer**").

- 17.2 The Drag Along Right may be exercised by the Drag Along Sellers serving notice to that effect ("**Drag Along Notice**") on the Called Shareholders, specifying the price for Ordinary Shares and any other principal financial terms of the sale. In the circumstances described by Article 17.1(b), the Drag Along Notice shall be served on the Called Shareholders together with a notice to those Called Shareholders under Article 14.1(b).
- 17.3 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Drag Along Sellers do not transfer the Ordinary Shares which they were proposing to sell to the Offeror prior to the date which is 30 days after the service of the Drag Along Notice.
- 17.4 Upon the exercise of the Drag Along Right in accordance with this Article 17 each of the Called Shareholders shall be bound to accept the Drag Along Offer made to him in respect of his entire holding of Ordinary Shares in the Company and to comply with the obligations assumed by virtue of such acceptance provided that:
- (a) the Called Shareholder will receive cash or marketable securities in consideration for the sale of his Ordinary Shares; and
  - (b) the Called Shareholder will not be required to provide to the Offeror any representations or warranties regarding the Company (or to provide an indemnity to any person in respect of any such representations or warranties which may have been given by the Company or its directors in connection with the sale), and
  - (c) the Called Shareholder will not be required to provide any undertakings or covenants to the Offeror (for example, as to the avoidance of subsequent competition with the Company or subsequent solicitation of its employees).
- 17.5 In the event that any Called Shareholder fails to accept the Drag Along Offer made to him or, having accepted such Drag Along Offer, fails to complete the sale of any of his Ordinary Shares pursuant to the Drag Along Offer, or otherwise fails to take any action required of him under the terms of the Drag Along Offer the directors (or any of them) may authorise any person to accept the Drag Along Offer on behalf of the Called Shareholder in question or undertake any action required under the terms of the Drag Along Offer on the part of a Called Shareholder who has accepted the Drag Along Offer. The directors may in particular authorise any person to execute a transfer of any Ordinary Shares held by a Called Shareholder in favour of the Offeror and the Company may give a good receipt for the purchase price of such Ordinary Shares and may register the Offeror as holder thereof and issue to it certificates for the same. The Called Shareholder shall in such case be bound to deliver up his certificate for his Ordinary Shares to the Company (or if lost or destroyed, an indemnity in a form

reasonably satisfactory to the Board) whereupon the Called Shareholder shall be entitled to receive the purchase price for such Ordinary Shares which shall in the meantime be held by the Company on trust for the Called Shareholder, but without interest. After the name of the Offeror has been entered in the Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

## **18 GENERAL MEETINGS**

18.1 All general meetings other than annual general meetings will be called extraordinary general meetings

18.2 The directors may call general meetings and, on the requisition of Members pursuant to the provisions of the Act, will immediately proceed to convene an extraordinary general meeting for a date not later than 28 (twenty eight) days after the date of the notice convening the meeting. If there are insufficient directors within the United Kingdom to call a general meeting, any director or any Member of the Company may call a general meeting.

## **19. NOTICE OF GENERAL MEETINGS**

19.1 An annual general meeting and an extraordinary general meeting called for the passing of a special resolution will be called by at least 21 clear days' notice. All other general meetings will be called by at least 14 clear days' notice, but any general meeting may be called by shorter notice if it is agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote or their duly appointed proxies;
- (b) (subject to any elective resolution for the time being in force under section 379A of the Act) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right

19.2 The notice will specify the time and place of the meeting and the nature of the business to be transacted and, in the case of an annual general meeting, will specify the meeting as such.

19.3 Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice will be given to all Members (including the holders of the Share Warrants), to all persons entitled to a Share in consequence of the death or bankruptcy of a Member and to the directors and Auditors of the Company.

19.4 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice will not invalidate the proceedings at that meeting.

## 20 PROCEEDINGS AT GENERAL MEETINGS

- 20.1 No business will be transacted at any meeting unless a quorum is present. A quorum will be two persons (of whom one shall be Herald) entitled to vote upon the business to be transacted, each being either a Member or a proxy for a Member or, in the case of a corporate Member, a duly authorised representative of that corporation.
- 20.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present the meeting will be adjourned to such other day and such other time and place as the directors may determine and if at the adjourned meeting a quorum is not present or ceases to be present then the Member or Members present will be a quorum.
- 20.3 The Chairman, if any or, in his absence, another director nominated by the directors, will preside as Chairman of the meeting, but if neither the Chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present will elect one of their number to be Chairman for the meeting and, if there is only one director present and willing to act, he will be Chairman for the meeting. If no director is willing to so act or if no director is present within 15 minutes after the time appointed for holding the meeting, the Members present and entitled to vote may choose one of their number to be Chairman for the meeting.
- 20.4 A director, despite his not being a Member, is entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.
- 20.5 The Chairman or such person as is Chairman for the meeting in accordance with Article 20.3 ("the Chair") may (and must if so directed by the meeting), adjourn the meeting from time to time and from place to place in the following circumstances:
- (a) with the consent of a meeting at which a quorum is present;
  - (b) where in his unfettered judgment it is impossible for all the Members present to take part in the debate and to vote,
  - (c) in the event of his considering that disorder is occurring
- No business may be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 14 days or more, at least seven clear days' notice must be given specifying the time and the place of the adjourned meeting and the nature of the business to be transacted. Otherwise it will not be necessary to give any such notice.
- 20.6 A resolution put to the vote of a meeting will be decided on a show of hands unless before or on declaration of the result of the show of hands, a poll is duly demanded.

Subject to the provisions of the Act, a poll may be demanded.

- (a) by the Chair; or
- (b) by at least two Members having the right to vote at the meeting, or
- (c) by a Member or Members representing not less than 10% (ten per cent) of the total voting rights of all the Members having the right to vote at the meeting; or
- (d) by a Member or Members holding Shares conferring the right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right;

and a demand by a person as proxy for a Member will be the same as a demand by the Member.

- 20.7 Unless a poll is duly demanded, a declaration by the Chair that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 20.8 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the Chair. A demand so withdrawn will not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 20.9 A poll will be taken as directed by the Chair and he may appoint scrutineers (who need not be Members) and fix a time and place for declaring the result of the poll. The result of the poll will be deemed to be the decision of the meeting at which the poll was demanded.
- 20.10 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not have a casting vote.
- 20.11 A poll demanded on the election of the Chair or on a question of adjournment must be taken immediately. A poll demanded on any other question must be taken either immediately or at a time and place directed by the Chair which may not be more than 30 days after the poll is demanded. The demand for a poll will not prevent the meeting continuing for the transaction of any business other than a question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn with the consent of the Chair, the meeting will continue as if the demand had not been made. No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice must be given specifying the time and place at which the poll is to be taken.



20.12 A resolution in writing signed by all the Members of the Company entitled to receive notice of and to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, will, subject to the provisions of the Act, be as valid and effective as if it had been passed at a general meeting of the Company properly convened and held whether such resolution would otherwise be required to be passed as a special, extraordinary or elective resolution. Any such resolution may be contained in one document, or in several documents in the same terms, each signed by one or more of the Members or their proxies, or attorneys. Signature of documents sent by facsimile will be valid and acceptable under this paragraph. Signature in the case of a corporate Member will be sufficient if made by a director of such Member or by its duly authorised representative.

## **21. VOTES AT GENERAL MEETINGS**

- 21.1 No Member will be entitled to vote at any general meeting, or at any separate meeting of the holders of any class, unless all calls or other sums presently payable by him in respect of shares of the Company have been paid
- 21.2 On a poll, votes may be given either personally or by proxy or by corporate representative. A Member may not appoint more than one proxy and a corporate Member may not appoint more than one representative to attend on the same occasion.
- 21.3 An instrument appointing a proxy must be in writing, executed by or on behalf of the appointor (if a corporation, under the hand of a duly authorised officer of the corporation) and be in a form determined by the directors or, failing such determination, in any usual form
- 21.4 The instrument appointing a proxy and any authority under which it is executed, or a copy of that authority certified notari ally, or in some other way approved by the directors may
- (a) be deposited at the registered office of the Company, or at another place within the United Kingdom specified by the notice convening the meeting, or in any instrument of proxy sent out by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
  - (b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as stated above after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
  - (c) where the poll is not taken immediately but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the Chair or to the Company Secretary or to any director or deposited as stated above after the poll has been demanded but not less than 24 hours before the time appointed for the taking of the poll;

and an instrument of proxy which is not deposited or delivered in the manner permitted above will be invalid.

- 21.5 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and seniority will be determined by the order in which the names of the holders stand in the register of Members.

## **22. NUMBER OF DIRECTORS**

Unless and until the Company by special resolution determines otherwise, the number of directors will be not less than two and shall not be more than six.

## **23 ALTERNATE DIRECTORS**

- 23.1 Each director will have power by writing to nominate either another director, or any other person willing to act and (except in the case of any such nomination by Herald) approved for the purpose by a resolution of the directors, to act as his alternate director. He may also at his discretion remove his alternate director by notice in writing to the Company. An alternate director will have the same entitlement as his appointor to receive notices of meetings of the directors and to attend, vote and be counted for the purpose of a quorum at any meeting at which his appointor is not personally present, and at such meeting to exercise and discharge all the functions, powers and duties of his appointor.

- 23.2 Except as otherwise provided in these Articles, the alternate director will, during his appointment, be deemed to be a director for the purposes of these Articles. He will not be deemed to be an agent of his appointor, and will alone be responsible to the Company for his own acts or defaults and will be entitled to be indemnified by the Company to the same extent as if he were a director.

- 23.3 An alternate director will not, in respect of his office of alternate director, be entitled to receive any remuneration from the Company nor to appoint another person as his alternate. The appointment of an alternate director will automatically determine if his appointor ceases for any reason to be a director, or on the happening of an event which, if he were a director, would cause him to vacate the office of director, or if by written notice to the Company he resigns his appointment.

## **24 POWERS OF DIRECTORS**

- 24.1 Subject to the provisions of the Act, the Memorandum of Association of the Company and these Articles and to any directions given by special resolution, the business of the Company will be managed by the directors who may exercise all the powers of the Company. No alteration of such Memorandum or these Articles and no such direction will invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given.

- 24 2 The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for any purposes and on any conditions as they determine, including authority for the agent to delegate all or any of his powers.
- 24 3 The directors may establish and maintain, or procure the establishment and maintenance of, any pension or superannuation funds (whether contributory or otherwise) for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances and emoluments to, any persons (including directors and other officers) who are or were at any time in the employment or service of the Company, or of any Company which is or was a subsidiary of the Company or allied to or associated with the Company or any such subsidiary, or of any of the predecessors in business of the Company or of any such other Company as stated above, and the spouses, widows, widowers, families and dependants of any such persons, and make payments to, for or towards the insurance of or provide benefits otherwise for any such persons as stated above
- 24 4 The remuneration of non-executive directors will be fixed by the Board and, unless otherwise resolved, shall be deemed to accrue from day to day.

**25. DELEGATION OF DIRECTORS' POWERS**

The directors may delegate any of their powers to any committee consisting of one or more directors of which one shall be the Investor Director. They may also delegate to any managing director or any director holding any other executive office any of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the directors may impose and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more Members must be governed by the Articles regulating the proceedings of directors, so far as they are capable of applying

**26. APPOINTMENT AND RETIREMENT OF DIRECTORS**

- 26.1 The Company by ordinary resolution may appoint another person in place of a director removed from office by resolution of a general meeting, and without prejudice to the powers of the directors under the next following regulation, may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
- 26 2 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 these articles as the maximum number of directors
- 26.3 For so long as Herald or its successors in title is the holder of Shares it or its nominees or successors in title shall be entitled by notice in writing signed by or on behalf of Herald to appoint one director and by notice in writing to remove any such director appointed by it and to nominate in the manner aforesaid another person in his place. Any director appointed pursuant to this Article 26.3 shall be entitled to be appointed as a non-executive director of any subsidiary of the Company

## **27. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

**27.1** The office of a director must be vacated in any of the following events namely:

- (a) if, by notice in writing to the Company, he resigns his office;
- (b) if he becomes bankrupt or makes any arrangement or composition with his creditors generally,
- (c) if he is, or may be, suffering from mental disorder and either:
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
  - (ii) an order is made by a Court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;
- (d) if he ceases to be a director by virtue of any provision of the Act, or he becomes prohibited by law from being a director;
- (e) if he is absent from meetings of the Board for six successive months without leave, unless prevented by illness, unavoidable accident or other cause which may seem to the other Members of the Board to be sufficient, and his alternate director (if any) has not during this period attended in his place, and the directors resolve that his office should be vacated;
- (f) if having been appointed pursuant to Article 26.3 he is removed from office by those entitled to remove him;
- (g) unless he is a Investor Director if all the other directors by notice in writing delivered to the registered office of the Company or tendered at a meeting of the Board resolve that he be removed from office but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company

**27.2** No director will vacate his office or become ineligible for appointment or re-appointment as a director by reason only of his having attained any particular age, nor will special notice be required of any resolution appointing or approving the appointment of such a director, or any notice be required to state the age of the person to whom such a resolution relates

## **28 DIRECTORS' APPOINTMENTS AND INTERESTS**

- 28.1 The directors may from time to time appoint one or more of their body to be the managing director, or to hold another office in the management, administration or conduct of the business of the Company for any period (subject to section 319 of the Act) and on terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke that appointment. Subject to the terms of any such agreement, a managing director or a director appointed to any other office under the terms of this Article will be subject to the same provisions as to resignation and removal as the other directors of the Company and will automatically and immediately cease to be the managing director or to hold any other office in the management, administration or conduct of the business of the Company if he ceases to hold the office of director for any reason but without prejudice to any claim for damages for breach of any contract of service between the director and the Company.
- 28.2 The remuneration of the managing director or any director who may be appointed to any other office in the management, administration or conduct of the business of the Company will from time to time (subject to the provisions of any agreement between him and the Company) be fixed by the directors. It may comprise fixed salary, or commission on the dividends, profits, sales or turnover of the Company, or of any other Company in which the Company is interested, or other participation in any such profits, or by way of or provision for a pension or pensions for himself or his dependants, or by all or any of these modes, and (subject as stated above) the remuneration fixed will be additional to any ordinary remuneration to which he may be entitled as a director of the Company.
- 28.3 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director despite his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may be a director or other officer of, or employed by, or 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 otherwise interested; and
  - (c) will not as a consequence of his office be held accountable to the Company for any benefit which he derives from any such office or employment, or from any such transaction or arrangement, or from any interest in such body corporate; and no such transaction or arrangement may be avoided on the ground of any such interest or benefit.
- 28.4 For the purposes of Article 28 3
- (a) a general notice given to the directors by a director, that he has an interest of a specified nature and extent in any transaction or arrangement in which

a specified person or class of persons is interested will be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and

- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge, will not be treated as an interest of his

## **29. PROCEEDINGS OF DIRECTORS**

- 29.1 Subject to the provisions of these Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director will, call a meeting of the directors. Questions arising at a meeting will be decided by a majority of votes. A director who is also an alternate director will be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote
- 29.2 Subject to Article 29.3 notice of the time, place and purpose of every meeting of the directors must be given to every director and to his alternate (if any). However, the non-receipt of notice by any director or alternate director will not invalidate the proceedings of the directors. Unless a majority of the directors (including the Investor Director) indicate their willingness to accept shorter notice of a meeting of directors, subject to any provision to the contrary in Article 29.3, at least seven days' notice must be given. Every notice of a meeting of the Directors required to be given under these Articles may be given orally, served personally or given by electronic communications to the address for the time being supplied for the purpose to the secretary of the Company. No business may be transacted at any meeting of the directors which was not contained and specified in reasonable detail in the notice convening the meeting without the prior written consent of the Investor Director.
- 29.3 It will be necessary to give at least seven clear days' notice of a meeting of the directors to any director for the time being absent from the United Kingdom who has given to the Company relevant contact details outside of the United Kingdom. Without prejudice to the generality of the above a director who is absent may in writing waive his right to receive this notice but any such waiver will only be effective if, and so long as, the Company has not received notice of the director's revocation of it.
- 29.4 The quorum necessary for the transaction of the business of the directors may be fixed by the directors and, unless fixed, will be (as long as there is more than one director in office) two persons, provided that one person may constitute a quorum if he is a director and is a duly appointed alternate director for another director. The quorum necessary for the transaction of the business of the directors shall contain the Investor Director or its duly appointed alternate PROVIDED always that if the Investor Director shall have been given proper notice of a meeting in accordance with these Articles and shall have waived his right to attend, the meeting shall be quorate notwithstanding the absence of that Investor Director or his alternate. An alternate director who is not himself a director will, if his appointor is not present, be counted towards the quorum.

- 29.5 The continuing directors or a sole continuing director may act despite any vacancies in their number. However, if the number of directors is less than the number fixed as the quorum, they or he may act only for the purpose of filling vacancies or of calling a general meeting.
- 29.6 The directors (subject to the prior written approval of the Investor Director) may elect one of their number to be Chairman and may at any time remove him from that office. If there is no director holding that office, or if the director holding it, being entitled to and having been given notice of the meeting of directors, is not present within fifteen minutes after the time appointed for it, the directors present must appoint one of their number to be Chairman of that meeting
- 29.7 All or any of the directors, or the members of any committee of the directors, may participate in a meeting of the directors or of a committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and to be counted in a quorum accordingly. A meeting of this kind shall be deemed to take place where the largest group of those participating is assembled or, if there is no largest group, where the Chairman of the meeting is present.
- 29.8 A resolution in writing (or otherwise contained in an electronic communication), signed by all the directors entitled to receive notice of a meeting of directors, or of a committee of directors, will be as valid and effective as if it had been passed at a meeting of directors, or (as the case may be), a committee of directors duly convened and held. The resolution may consist of several documents in the same terms each signed by one or more directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity
- 29.9 All acts done by a meeting of directors, or of a committee of directors, or by a person acting as a director will, despite that it is afterwards discovered that there was a defect in the appointment of any director or that any of them was disqualified from holding office, or had vacated office, or was not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote
- 29.10 Except as otherwise provided by these Articles, a director may not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he is in any way, whether directly or indirectly, interested, unless that interest arises only because the case falls within one or more of the following paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security or indemnity in respect of money lent by him to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiaries;

- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company, or any of its subsidiaries, for which the director has assumed responsibility in whole or part, whether alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (c) his interest arises by virtue of his subscribing, or agreeing to subscribe, for any shares, debentures or other securities of the Company, or any of its subsidiaries, or by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any such shares, debentures, or other securities by the Company or any of its subsidiaries for subscription, purchase or exchange;
- (d) the resolution relates in any way to a retirement benefit scheme or an employee share scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes.

For the purposes of this regulation, an interest of a person who is, for any purpose of the Act (excluding any statutory modification of it not in force when this regulation becomes binding on the Company), connected with a director will be treated as an interest of the director and, in relation to an alternate director, an interest of his appointor will be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

- 29.11 A director may not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 29.12 The Company may by special resolution suspend, or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
- 29.13 Where proposals are under consideration concerning the appointment of two or more directors to offices or employments with the Company, or with any body corporate in which the Company is interested, the proposals will be divided and considered in relation to each director separately. In addition, (provided he is not for another reason precluded from voting), each of the directors concerned will be entitled to vote and be counted in the quorum in respect of each resolution, except that concerning his own appointment
- 29.14 If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his ruling in relation to any director other than himself will be final and conclusive.

### 30. **DIVIDENDS**

- 30.1 The following sentence will be added to the end of Regulation 104 of Table A



"The person entitled to any dividend will be the holder (as defined in Table A) of the share upon the date determined by the resolution declaring the dividend (or in the case of any interim dividend, determined by the directors) in respect of that share."

- 30 2 The directors may deduct from any dividend payable on or in respect of a Share all sums of money presently payable by the holder to the Company, on any account whatsoever.

### 31. NOTICES

- 31 1 A notice or other document shall be given by the Company to any Member or director either

(a) personally; or

(b) by sending it by pre-paid first class post or confirmed facsimile,

to his registered address within the United Kingdom or to any other address within the United Kingdom supplied by him to the Company for the giving of notice to him, or

(c) subject to his consenting to the giving or sending of that notice or other document by electronic communications by giving it using electronic communications to an address for the time being notified to the Company by the Shareholder for that purpose

- 31 2 A notice or other document to be given pursuant to these Articles will be deemed to have been given:

(a) if given by post, on the day following that on which the notice or other document was posted and proof that an envelope containing a notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or other document was given or delivered;

(b) if given using electronic communications:

(i) at the expiry of 48 hours after it is sent; and proof that it was sent in accordance with the ICSA Guidelines shall be conclusive evidence that the notice was given;

(ii) in the case of a notice or other document in electronic format such as CD-ROM or audio tape sent by post on the day following that on which the notice or other document was posted and proof that an envelope containing the notice or other document was properly addressed, prepaid and posted shall be conclusive evidence that the notice or other document was given or delivered

- 31.3 In the case of joint holders of a Share, all notices will be given to the joint holder whose name stands first in the register of members in respect of the joint holding, and notice so given will be sufficient notice to all the joint holders.
- 31.4 When a notice or other document to be given to a Member using electronic communications has failed to be transmitted after two attempts, that failure shall not invalidate any meeting or other proceeding to which the notice or other document relates. As soon as practicable and in any event within 48 hours of the original attempt a duplicate of the relevant notice or other document shall be sent through the post to the Member to his last known address for the service of notices.
- 31.5 Except as otherwise provided in these Articles, all notices to be given pursuant to these Articles, other than one calling a meeting of the directors, must be in writing

## **32 INDEMNITY**

- 32.1 Subject to the provisions of the Act but without prejudice to any indemnity to which he may otherwise be entitled, every Director or other officer or auditor of the Company shall be entitled to be indemnified by the Company against any liability incurred or to be incurred by him in the execution and discharge of his duties and the Directors may exercise all the powers of the Company to grant those indemnities including, without limitation, any indemnity which constitutes a qualifying third party indemnity provision within the meaning of s309B of the Act.
- 32.2 Subject to the provisions of the Act, the Directors shall have power to purchase and maintain insurance for the benefit of every Director or other officer (other than an auditor) of the Company including, without limitation, insurance against any liability incurred by him in the execution and discharge of his duties