

Company Number: 5126015

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTION**

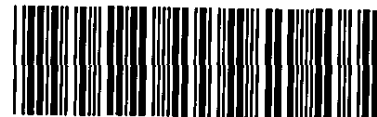
-of-

**ENVIROGENE LIMITED**  
**("the Company")**

Circulation Date: 1 June 2010

Resolution passed on: 3 June 2010

WEDNESDAY



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COMPANIES HOUSE

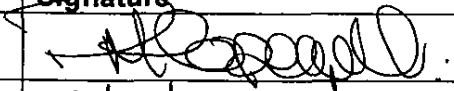
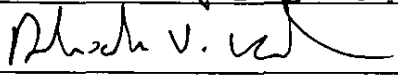
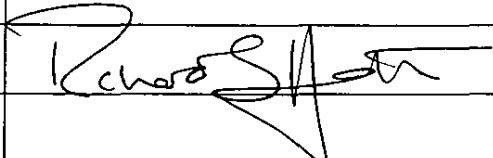
Pursuant to section 288 of the Companies Act 2006, we, the undersigned being the members of the Company entitled to attend and vote at a general meetings of the Company, **HEREBY RESOLVE** and agree that the following resolutions ("Resolutions"), proposed by the directors of the Company, be passed as a special resolution in respect of Resolution 1 and an ordinary resolution in respect of Resolution 2 and that such resolutions be as valid and effectual as if they had been passed at a general meeting of the Company duly convened and held

**RESOLUTIONS**

- 1 **THAT** the regulations contained in the document attached hereto and initialled for the purpose of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company (the "New Articles")
- 2 **THAT** in substitution for any previous authorities conferred upon the directors (under section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006), the directors be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("Act") to exercise all powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate of 557 Ordinary Shares having an aggregate nominal value of £55 70 9,153 A Ordinary Shares having an aggregate nominal value of £915 30 and 45,153 Preferred Ordinary Shares having an aggregate nominal value of £45,153, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire 5 years from the date of the passing of this resolution, but the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

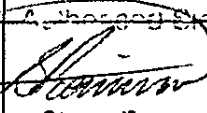
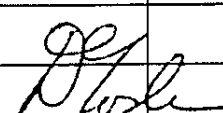
**Please read the notes at the end of this document before signifying your agreement to the Resolutions.**

The undersigned, being persons entitled to vote on the Resolutions on 1 June 2010, hereby irrevocably agree to the Resolutions set out above -

Shareholder	Signature	Date of Signature
Patricia Hopewell		1 June 2010
Alex Korda		1 June 2010
University of Nottingham		
Jon Marsh		
Rob Sleat		
Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		1 June 2010
David Lloyd Owen		
Colin Fenn		
Andrew Davies		
<del>Richard Howe</del>		
Deborah Foster		
<del>Robert Briggs</del>		
Gwyneth Thomas		
Sarah Parker		
Finance Wales Investments (5) Ltd		
Gregg Williams		
Hannah Sugg		
Mieke Heyde		

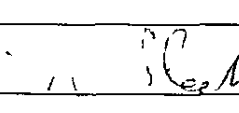
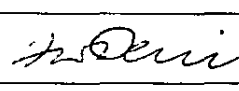
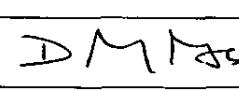

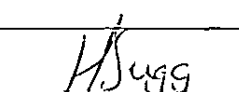
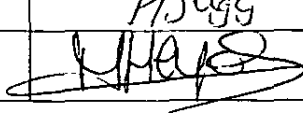
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The undersigned, being persons entitled to vote on the Resolutions on 3 June 2010, hereby irrevocably agree to the Resolutions set out above -

Shareholder	Signature	Date of Signature
Patricia Hopewell		
Alex Korda		
University of Nottingham		
Jon Marsh		
Rob Sleat		
Credit Suisse Client Nominees (UK) Limited acting for and on behalf of RAB Capital	  Steve Poessinger Vice President Dean Foster Authorised Signatory	3 June 2010
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		
David Lloyd Owen		
Colin Fenn		
Andrew Davies		
Roderick Howe		
Deborah Foster		
Robert Briggs		
Gwyneth Thomas		
Sarah Parker		
Finance Wales Investments (5) Ltd		
Gregg Williams		
Hannah Sugg		
Mieke Heyde		


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Shareholder	Signature	Date of Signature
Patricia Hopewell		
Alex Korda		
University of Nottingham		
Jon Marsh		
Rob Sleat		1/6/10
Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		
David Lloyd Owen		
Colin Fenn		
Andrew Davies		01-06-10
<del>Roderick Howe</del>		
Deborah Foster		1/6/10
<del>Robert Briggs</del>		
Gwyneth Thomas		
Sarah Parker		1-6-10
Finance Wales Investments (5) Ltd		
Gregg Williams		
Hannah Sugg		1-6-10
Mieke Heyde		1-6-10

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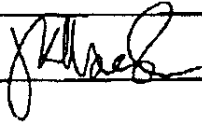
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University of Nottingham		
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Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		
David Lloyd Owen		1 June 2010
Colin Fenn		
Andrew Davies		
Roderick Howe		
Deborah Foster		
Robert Briggs		
Gwyneth Thomas		
Sarah Parker		
Finance Investments (5) Ltd		
Gregg Williams		

FROM J MARSH - 11 JUL 2010

**Please read the notes at the end of this document before signifying your agreement to the Resolutions.**

The undersigned, being persons entitled to vote on the Resolutions on  
hereby irrevocably agree to the Resolutions set out above -

2010,

Shareholder	Signature	Date of Signature
Patricia Hopewell		
Alex Korda		
University of Nottingham		
Jon Marsh		1/6/10
Rob Sleat		
Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		
David Lloyd Owen		
Colin Fenn		
Andrew Davies		
Roderick Howe		
Deborah Foster		
Robert Briggs		
Gwyneth Thomas		
Sarah Parker		
Finance Wales Investments (5) Ltd		
Gregg Williams		
Hannah Sugg		
Mieke Heyde		

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hereby irrevocably agree to the Resolutions set out above -

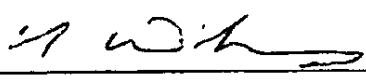
2010,

Shareholder	Signature	Date of Signature
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Alex Korda		
University of Nottingham		
Jon Marsh		
Rob Sleat		
Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
Martin Garnett		
Richard Hatton		
David Lloyd Owen		
Colin Fenn		
Andrew Davies		
Roderick Howe		
Deborah Foster		
Robert Briggs		
Gwyneth Thomas		
Sarah Parker		
Finance Wales Investments (5) Ltd	from John	28/5/10
Gregg Williams		
Hannah Sugg		
Mieke Heyde		

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2010,

Shareholder	Signature	Date of Signature
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Alex Korda		
University of Nottingham		
Jon Marsh		
Rob Sleat		
Credit Suisse Client Nominees (UK) Limited		
Envirogene Trustee Ltd		
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Richard Hatton		
David Lloyd Owen		
Colin Fenn		
Andrew Davies		
Roderick Howe		
Deborah Foster		
Robert Briggs		
Gwyneth Thomas		
Sarah Parker		
Finance Wales Investments (5) Ltd		
Gregg Williams		1 / 6 / 2010
Hannah Sugg		
Mieke Heyde		



### **Notes**

- 1 You can choose to agree to all of the Resolutions or none of them, but you cannot agree to only some of the Resolutions
- 2 If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand or by post to the registered office of the Company or by fax or email marked for the attention of the Company Secretary
- 3 If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply
- 4 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 5 Unless by *28 June* 2010 sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority, please send a copy of the relevant power of attorney or authority when returning this document
- 7 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members

Company No: 05126015

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**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**  
**Of**  
**ENVIROGENE LIMITED**

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A26

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16/06/2010  
COMPANIES HOUSE

499

Company No: 05126015

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**ENVIROGENE LIMITED**  
**(adopted by Special Resolution**  
**passed on 3 June 2010)**

**1 DEFINITIONS**

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

<b>'A' Ordinary Shares</b>	'A' ordinary shares of £0.10 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,
<b>Accounts</b>	the audited balance sheet of the Company from time to time and the audited profit and loss account of the Company from time to time together with all notes, reports and statements annexed to them,
<b>Act</b>	the Companies Act 2006 (as amended from time to time),
<b>Auditors</b>	the auditors of the Company from time to time or in the event that the auditors of the Company decline to accept instructions, such firm of chartered accountants as the Board may decide to appoint,
<b>'B' Ordinary Shares</b>	'B' ordinary shares of £0.10 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

**Bad Leaver**

a) any person who holds 'A' Ordinary Shares and who ceases to be an employee of the Company or of its subsidiaries (and who is no longer an employee of the Company or any of its subsidiaries) other than a Good Leaver,

b) any Founder Shareholder who ceases to be an employee of any member of the Group either by way of voluntary resignation before the second anniversary of the adoption of these Articles or by justified dismissal for gross misconduct at any time and as a consequence is no longer a director or employee of any member of the Group unless it is agreed in writing by the Board and the Investors, that such person shall be treated as a Good Leaver,

**Board**

the board of directors of the Company as constituted from time to time or any duly authorised committee of the Board,

**Chairman**

the chairman from time to time of the Board,

**Change of Control**

the transfer of Shares as a result of which any person or persons Connected with each other or persons Acting in Concert with each other (not being Shareholders at the date hereof) would obtain Control over or increase Control beyond that number of Shares in the Company which in aggregate confer 50 per cent or more of the voting rights normally exercisable at general meetings of the Company,

**Director**

a director of the Company for the time being,

**Deferred Shares**

deferred shares to be created in the capital of the Company in contemplation of a Listing pursuant to article 3 4 below,

<b>Finance Wales</b>	Finance Wales Investments (5) Limited, a limited company registered in Wales with company number 6350427 and/or Finance Wales Investments (6) Limited, a limited company registered in Wales with company number 6763979,
<b>Founder Shareholder</b>	either Robert Sleat or Alex Korda or both,
<b>Good Leaver</b>	<p>i) any person who holds 'A' Ordinary Shares and who ceases to be an employee of the Company or of its subsidiaries and who is no longer an employee of the Company or any of its subsidiaries) as a result of</p> <ul style="list-style-type: none"> <li>a) retirement in accordance with his terms of employment, or</li> <li>b) death, or</li> <li>c) ill health or permanent disability, or</li> <li>d) redundancy, or</li> </ul> <p>ii) any Founder Shareholder who ceases to be a director or employee of any member of the Company or any of its subsidiaries and as a consequence is no longer a director or employee of the Company or any of its subsidiaries and is not a Bad Leaver or No Fault Leaver,</p>
<b>Group</b>	the Company, its subsidiary undertakings, any holding company of the Company and any subsidiary undertakings of the holding company from time to time, or any of them, as the context admits and "member of the Group" shall have a corresponding meaning,
<b>Investors</b>	RAB and Finance Wales,
<b>Investor Consent</b>	the consent of all of the Investors,

<b>Listing</b>	<p>a) the admission of all or any of the Shares to trading on a market for listed securities operated by the London Stock Exchange plc, together with the admission of such Shares to the Official List of the UK Listing Authority, or</p> <p>b) the admission of all or any of the Shares to the Alternative Investment Market of the London Stock Exchange plc, or</p> <p>c) the admission of all or any of the Shares to, or to trading on, any other market wherever situated, together, if necessary, with the admission of such Shares to listing on any official or otherwise prescribed list maintained by a competent or otherwise prescribed listing authority</p>
<b>Net Asset Value</b>	the aggregate of the assets of the Company minus the aggregate liabilities and provisions of the Company as shown by the latest Accounts,
<b>No Fault Leaver</b>	in relation to a Founder Shareholder, if they cease to have an active role in the Company or cease to be a director or employee of the Company by reason of their death, incapacity through permanent ill health, critical illness or retirement from the Company (at an age beyond 65 years) or if they are dismissed by the Company in circumstances which an industrial tribunal or other court of competent jurisdiction adjudicates as being wrongful or unfair in respect of which there is no right of appeal,
<b>Ordinary Shares</b>	ordinary shares of £0.10 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,

<b>Preferred Ordinary Shares</b>	the Preferred Ordinary shares of £1 00 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles,
<b>RAB</b>	RAB Special Situations (Master) Fund Limited a limited company registered in the Cayman Islands c/o RAB Capital plc, 1 Adam Street, London WC2N 6LE and any nominee of such company,
<b>Sale</b>	<p>i) a sale of the entire issued share capital of the Company, or</p> <p>ii) a sale of all or substantially all of the undertaking, business and assets of the Company,</p>
<b>Shareholders</b>	the holders from time to time of the Shares
<b>Shares</b>	the Ordinary Shares, the 'A' Ordinary Shares, the 'B' Ordinary Shares, the Preferred Ordinary Shares and the Deferred Shares in the capital of the Company,
<b>Subscription Price</b>	the price paid for a Share on the issue of that Share,
<b>Table A</b>	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No 1052) and the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No 3373) and the Companies Act 2006, and
<b>UK Listing Authority</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000 including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated

- 1 2 References to statutory provisions include references to any orders or regulations made thereunder and references to any statute, provision, order or regulation include references to that statute, provision, order or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date hereof (subject as otherwise expressly provided herein) and to any previous statute, statutory provision, order or regulation amended, modified, re-enacted or replaced by such statute, provision, order or regulation
- 1 3 Headings are for information only and shall not form part of the operative provisions of, and shall be ignored in construing, these Articles
- 1 4 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting any gender shall include all genders and words denoting persons shall include bodies corporate and unincorporated, associations, partnerships and individuals
- 1 5 Whether one person is "Connected" with another person shall be determined in accordance with Section 839 of the Income and Corporation Taxes 1988
- 1 6 "Control" shall mean the right by virtue of holding Shares in, or the possession of voting power in or in relation to, the Company or any other body corporate to exercise or procure the exercise of the voting rights attached to Shares in the Company
- 1 7 A person "acting in Concert" with another person shall have the meaning set out in the City Code on Takeovers and Mergers

## 2 **TABLE A**

- 2 1 Table A shall apply to the Company save insofar as excluded or varied hereby or inconsistent herewith and Table A (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company
- 2 2 Regulations 64, 73 to 77 (inclusive), 80, 87, 94 to 98 (inclusive), 101 and 118 of Table A and the penultimate sentence of regulation 112 of Table A shall not apply to the Company



### **3 SHARE CAPITAL**

#### **3 1 Authority to Allot**

3 1 1 Subject to the remaining provisions of this Article, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to

3 1 1 1 offer or allot,

3 1 1 2 grant rights to subscribe for or to convert any security into, or

3 1 1 3 otherwise deal in, or dispose of,

any Shares to any person, at any time and subject to any terms and conditions as the Directors think proper

3 1 2 The authority referred to in Article 3 1 1 shall be limited to a maximum nominal amount of £46,124 divided into

3 1 2 1 1 557 Ordinary Shares,

3 1 2 1 2 9,153 'A' Ordinary Shares, and

3 1 2 1 3 45,153 Preferred Ordinary Shares

or such other amount as may from time to time be authorised by the Company by ordinary resolution

3 1 3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of securities (as defined in section 560(1) of the Act) made by the Company in accordance with Article 3 1 2

#### **3 2 Rights Attaching to the Shares**

3 2 1 Except as expressly set out in these Articles, the Ordinary Shares, Preferred Ordinary Shares, the 'A' Ordinary Shares and 'B' Ordinary Shares shall be separate classes of shares but shall rank *pari passu* in all other respects

### **3 2 2 Voting Rights**

Neither the 'B' Ordinary Shares nor the Deferred Shares shall carry a right to vote or a right to attend any general meeting of the Company

The voting rights attached to each class of Shares other than the 'B' Ordinary Shares and the Deferred Shares shall be as follows -

- (a) on a show of hands, every Shareholder holding one or more Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote, and
- (b) on a poll, every Shareholder holding one or more Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Share of which he is the holder

### **3 2 3 Income**

To the extent there are profits available for distribution for the purposes of the Act subject to the Board or the Company in general meeting resolving to declare and pay a dividend, that dividend shall be distributed as follows -

- (a) to the extent that the Net Asset Value of the Company is less than £3,000,000, the holders of the 'A' Ordinary Shares shall not be entitled to any dividend but for the avoidance of doubt, the holders of the Ordinary Shares, the holders of the 'B' Ordinary Shares and the holders of the Preferred Ordinary Shares shall be entitled to such dividend pro rata according to the number of Shares held by each such Shareholder, and
- (b) to the extent that the Net Asset Value of the Company exceeds £3,000,000, any dividend shall be distributed amongst the holders of the Ordinary Shares, the holders of the 'B' Ordinary Shares, the holders of the Preferred Ordinary Shares and the holders of the 'A' Ordinary Shares pro rata according to the number of Shares held by each such Shareholder (provided that there are surplus assets available for distribution following payment of the sums due under Article 3 2 4 (a))

The holders of the Deferred Shares shall not be entitled to receive any dividends

#### **3 2 4 Return of Capital**

On a return of capital on liquidation or capital reduction or otherwise the assets of the Company available for distribution to holders remaining after payment of all other debts and liabilities of the Company shall be distributed as follows

- (a) firstly in paying to the holders of the Preferred Ordinary Shares twice the Subscription Price paid for their Preferred Ordinary Shares,
- (b) secondly in paying to the holders of the Ordinary Shares and the 'B' Ordinary Shares such amount as required so that the holders of the Ordinary Shares and the 'B' Ordinary Shares have received the same proportion of the aggregate amount of capital returned under article 3 2 4 (a) as the Ordinary Shares and the 'B' Ordinary Shares together bear to the total issued Preferred Ordinary Shares and Ordinary Shares and 'B' Ordinary Shares at such time (provided that there are surplus assets available for distribution following payment of the sums due under article 3 2 4 (a) and article 3 2 4 (b)) If the assets of the Company available for distribution are less than £3,000,000 or no surplus assets remain after payment of the sums due under articles 3 2 4(a) – (c) no further distributions shall be made in accordance with this article 3 2 4,
- (c) thirdly in paying to the holders of the Preferred Ordinary Shares, the holders of the Ordinary Shares and the holders of the 'B' Ordinary Shares the sum of £3,000,000 pro rata to the number of Preferred Ordinary Shares, Ordinary Shares and 'B' Ordinary Shares held by each of them,
- (d) fourthly
  - (i) 50 per cent in aggregate to the holders of the Ordinary Shares, the holders of the 'B' Ordinary Shares and the holders of Preferred Ordinary Share pro rata to the number of Ordinary Shares, 'B' Ordinary Shares and Preferred Ordinary Shares held by each of them, and

- (ii) 50 per cent to the holders of the 'A' Ordinary Shares

(in each case pro rata to the number of shares of the relevant class held by each Shareholder) until such time as the holders of the 'A' Ordinary Shares have received the same proportion of the aggregate amount of capital returned as the 'A' Ordinary Shares bear to the total issued share capital of the Company (excluding any Deferred Shares in issue) at such time

For example, if the holders of the 'A' Ordinary Shares represent 25 per cent of the entire issued share capital of the Company at the time of such return of capital, the aggregate capital to be returned pursuant to this article 3 2 4 (d) shall be paid 50 per cent to the holders of the 'A' Ordinary Shares and 50 per cent in aggregate to the holders of the Ordinary Shares, the holders of the 'B' Ordinary Shares and the holders of the Preferred Ordinary Shares until the holders of the 'A' Ordinary Shares have received 25 per cent of the aggregate amount of capital to be returned (i.e. 25 per cent of the aggregate of the amounts distributed under articles 3 2 4 (a) – (d),

- (e) fifthly, the holders of Deferred Shares shall be entitled to receive £1 00 in total in respect of all the Deferred Shares in the issued share capital of the Company, and
- (f) finally the balance of such assets shall belong to and be distributed among the holders of the Ordinary Shares the holders of the 'A' Ordinary Shares, the holders of the 'B' Ordinary Shares and the holders of the Preferred Ordinary Shares as if they constituted one class of share pro rata to the number of Shares held by each of them

### **3 3 Variation of Rights**

Whenever the capital of the Company is divided into different classes of shares the rights attached to any class may be varied or abrogated only with the consent in writing of the holders of 75 per cent or more in nominal value of the issued shares of that class, or with the sanction of a resolution passed by the holders of 75 per cent or more in nominal value of the issued shares of that class passed at a separate meeting of the holders of that class, but not otherwise

## 3 4      **Sale or Listing**

3 4 1      In the event of a Sale then, notwithstanding anything to the contrary in the terms and conditions governing such Sale (unless all the Shareholders immediately prior to such Sale have agreed to the contrary for the purposes of this article 3 4 1) the Shareholders immediately prior to such Sale shall procure that the proceeds (whenever received) shall be paid into a designated trustee account and shall be distributed amongst such selling holders in the same order of priority as set out in article 3 2 4 as if the date of such Sale were the date of the return of capital for the purposes of article 3 2 4 and as if the proceeds of such Sale represented all of the assets of the Company available for distribution to the Shareholders

3 4 2      Immediately prior to and conditional upon a Listing each Preferred Ordinary Share and 'B' Ordinary Share, as the case may be, shall be converted into 1 Ordinary Share

3 4 3      Immediately prior to and conditional upon a Listing, the 'A' Ordinary Shares shall be converted into Ordinary Shares in accordance with the following six step formula

### Step 1

The starting point shall be the value of the Company as determined by the Company's brokers appointed for the purpose of the Listing ("the Listing Value")

### Step 2

The formula in article 3 2 4 above shall be applied to the Listing Value to determine the proportion of the Listing Value that is attributable respectively to the 'A' Ordinary Shares and to the Ordinary Shares, the 'B' Ordinary Shares, the Preferred Ordinary Shares and to the Ordinary Shares For this purpose and this purpose only each Preferred Ordinary Share shall be deemed to be the same value as each Ordinary and each 'B' Ordinary Share

### Step 3

The value of each 'A' Ordinary Share shall then be determined by dividing the proportion of the Listing Value attributable to the 'A' Ordinary Shares (as calculated in Step 2) by the total number of 'A' Ordinary Shares

### Step 4

Step 3 above shall then be repeated in respect of the Ordinary Shares to determine the value of each Ordinary Share

### Step 5

The fifth step shall be to calculate how many 'A' Ordinary Shares are worth one Ordinary Share by dividing the value of one Ordinary Share by the value of one 'A' Ordinary Share (X)

### Step 6

Each 'A' Ordinary Shareholder's holding of 'A' Ordinary Shares shall be converted into Ordinary Shares on the basis that for every X number of 'A' Ordinary Shares, one such share shall be converted into one Ordinary Share and the balance shall be converted into Deferred Shares

In the event that the above conversion results in any fractions of shares, such shares shall be rounded down to the nearest whole number

For example, if the Listing Value of the Company was £7,001,000 and there were 15,000 Ordinary Shares in issue and 5,000 'A' Ordinary Shares in issue, the 'A' Ordinary Shares would be converted into Ordinary Shares under this clause 3.4.3 as follows

### Step 1

The Listing Value is £7,001,000

### Step 2

The formula in article 3.2.4 is applied to determine that £7,000,500 of the Listing Value is attributable to the Ordinary Shares, Preferred Ordinary Shares and 'B' Ordinary Shares and £500 is attributable to the 'A' Ordinary Shares

Step 3

Total Number of 'A' Ordinary Shares= 5,000

Value of 'A' Ordinary Shares= £500

Value per 'A' Ordinary Share= £0 10

Step 4

Total Number of Ordinary Shares= 15,000

Value of Ordinary Shares= £7,000,500

Value per Ordinary Share= £466 70

Step 5

Value of one Ordinary Share  $\frac{£466\ 70}{£0\ 10} = 4,667$   
Value of one 'A' Ordinary Share £0 10

Step 6

Every 4,667 'A' Ordinary Shares will be converted into 1 Ordinary Share  
and 4,666 Deferred Shares

**4 LIEN**

The lien conferred by regulation 8 of Table A shall attach also to fully paid up Shares and to all Shares registered in the name of any person indebted or under liability to the Company whether he shall be the sole registered holder thereof or shall be one of two or more joint holders

**5 CALLS**

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

**6 TRANSFER OF SHARES**

6 1 Save in relation to any transfer of any Shares by the Investors the directors shall refuse to register the transfer of any Share unless the transfer is expressly

authorised by Articles 7 or 8 Regulation 24 of Table A shall be modified accordingly

6 2 For the purpose of this Article the following shall be deemed (without limitation) to be a transfer by a member of Shares in the Company -

6 2 1 any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself, and

6 2 2 any sale or any other disposition of any legal or equitable interest in a Share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing

## 7 **PERMITTED TRANSFERS**

### 7 1 To Relatives

Subject to Article 9 3, any Shareholder may transfer up to 100 per cent in nominal value in aggregate of the Shares originally held by him (or any beneficial interest therein) for whatever consideration to -

7 1 1 one or more Privileged Relations,

7 1 2 the trustee or trustees of a family trust set up wholly for the benefit of one or more Privileged Relations, or

7 1 3 joint names of the individual member and one or more Privileged Relations,

and for the purposes of this Article 7 1 "Privileged Relations" means the person who first transfers the relevant Share pursuant to this Article 7 1 and his/her spouse, common law partner, civil partner, lineal descendants and ascendants in direct line (including any step, adopted or illegitimate children)

### 7 2 Pursuant to Article 9 (Compulsory and Deemed Transfer Notices)

Any Shares may be transferred pursuant to Article 9

### 7 3 Pursuant to Articles 10 (Tag Along Offer)



Shares may be transferred pursuant to Article 10 in circumstances where the person or persons obtaining or increasing Control acquires 100 per cent of the issued Shares (including any Shares held by such persons before the relevant transfers)

7 4 Pursuant to Article 11 (Drag Along Option)

Any Shares may be transferred pursuant to Article 11

7 5 Any transfer of Shares by the Investors shall be permitted For the avoidance of doubt the provisions of Articles 8, and 9 shall not apply to any transfer of Shares by the Investors

7 6 Any other transfer of Shares shall be a Permitted Transfer if the holders of 75 per cent or more in nominal value of the Shares so determine

8 **TRANSFER NOTICE AND PRE-EMPTION RIGHTS**

8 1 Any member (other than the Investors) proposing to transfer Shares held by him (**Proposing Transferor**) otherwise than in accordance with Article 7 shall give notice in writing (**Transfer Notice**) to the Company stating -

8 1 1 the number of Shares which he proposes to transfer (**Sale Shares**),

8 1 2 the price per Share at which he proposes to transfer the Sale Shares (**Transfer Price**), and

8 1 3 whether or not the Transfer Notice is conditional upon all and not part only of the Sale Shares being sold pursuant to the offer hereinafter mentioned and in the absence of such stipulation it shall be deemed not to be so conditional

8 2 No Transfer Notice once given or deemed to be given in accordance with Article 8 1 shall be withdrawn unless -

8 2 1 the Proposing Transferor is obliged to procure the making of a Tag Along Offer in accordance with Article 10 and is unable so to procure in which event the Proposing Transferor shall be entitled to withdraw such Transfer Notice, without liability to any person, within 28 days of service, or

8 2 2 the Board consents to the withdrawal of the Transfer Notice

8 3 The Transfer Notice shall constitute the Company the agent of the Proposing Transferor for the sale of the Sale Shares at the Transfer Price

8 4 If no Transfer Price is stated in the Transfer Notice and within 28 days of receipt of the Transfer Notice the Proposing Transferor and a majority of the Directors are unable to agree a price per Share at which the Sale Shares should be offered for sale (**Transfer Price**) the Directors shall instruct the Auditors to determine the Transfer Price in accordance with Article 12 (or if the Auditors decline to accept instructions such other firm of reputable chartered accountants as the Board chooses)

8 5 Subject to clause 9 2 below, the Company shall forthwith upon the later (if relevant) of -

8 5 1 receipt of a Transfer Notice, or

8 5 2 where the Transfer Price is not stated in the Transfer Notice the determination of the Transfer Price,

give notice in writing to each of the members of the Company (other than the Proposing Transferor and any other member who has or is deemed to have served a Transfer Notice in relation to all of the Sale Shares held by him) inviting them to state in writing by a specified date being 28 days from the date of the said notice whether and, if so, the maximum number of Sale Shares he wishes to purchase at the Transfer Price

8 6 The Sale Shares shall be offered on the basis that, in the event that acceptances are received for a greater number of Shares than the maximum number of Sale Shares available for purchase, the Sale Shares available shall be sold to the members who have accepted the offer in proportion (as nearly as may be) to their existing holdings of Shares of the relevant class, subject to the maximum number of Shares which each has indicated he wishes to purchase

8 7 Within seven days of the closing of the offer to Shareholders pursuant to Article 8 5 the Company shall give notice of each allocation of Sale Shares in accordance with Article 8 6 (**Allocation Notice**) to the Proposing Transferor and each of the persons to whom Sale Shares have been allocated (each a **Purchaser**) and shall specify in the Allocation Notice the place and time (being not less than 7 and not more than 14 days after the date of the notice) at which the sale of the Sale Shares shall be completed **PROVIDED** that if the total number of Shares applied for is less than the

total number of Sale Shares then the Allocation Notice shall contain a further invitation open for 21 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares (in which case completion of the Sale Shares shall not take place until expiry of the said 21 day period) and completion of the Sale Shares shall be conditional upon such offer being accepted in relation to all of the Sale Shares

8 8 Subject to Article 8 7, upon such allocation being made as aforesaid, the Proposing Transferor shall be bound, on payment of the Transfer Price, to transfer the Sale Shares comprised in the Allocation Notice to the Purchaser(s) named therein at the time and place therein specified. If he makes default in so doing the Chairman (provided he is not the Proposing Transferor) or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Proposing Transferor with full power to execute, complete and deliver in the name and on behalf of the Proposing Transferor a transfer of the relevant Sale Shares to the Purchaser(s) and the Board may receive and give a good discharge for the purchase money on behalf of the Proposing Transferor and (subject to the transfer being duly stamped) enter the name of the Purchaser(s) in the register of members as the holder or holders by transfer of the Shares so purchased by him or them. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Proposing Transferor until he shall deliver up his certificate or certificates for the relevant Shares to the Company when he shall thereupon be paid the purchase money

8 9 In the event of any (and in the case of a condition in accordance with Article 8 1 3 being applicable, all) of the Sale Shares are not sold in accordance with this Article 8 the Proposing Transferor may at any time within three calendar months after receiving confirmation from the Company that the pre-emption provisions herein contained have been exhausted, transfer any Sale Shares not sold to any person or persons at any price not less than the Transfer Price **PROVIDED** that -

8 9 1 the Board shall be entitled to refuse registration of the proposed transferee if he is believed to be, or is a nominee for, a person reasonably considered by the Board to be a competitor or Connected with a competitor of the business of the Company and its subsidiaries and if as a result of such transfer more than 10% of the equity Share capital of the Company would

be held by, or by nominees for, competitors or persons Connected with competitors of the business of the Company and its subsidiaries,

8 9 2 if the Proposing Transferor stipulated in the Transfer Notice that unless all the Sale Shares were sold none should be sold, the Proposing Transferor shall not be entitled, save with the written consent of all the other members of the Company, to sell hereunder only some of the Sale Shares comprised in the Transfer Notice to such person or persons, and

8 9 3 any such sale shall be a bona fide sale and the Board may require to be satisfied in such manner as it may reasonably require that the Sale Shares are being sold in pursuance of a bona fide sale for not less than the Transfer Price without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse to register the instrument of transfer

## **9 COMPULSORY AND DEEMED TRANSFER NOTICES**

9 1 A Shareholder (other than the Investors) (and / or a person or persons to whom Shares formerly held by such Shareholder have been transferred (whether or not by such Shareholder) pursuant to Articles 7 1 or 7 2) shall upon the occurrence of any of the events set out in Articles 9 1 1 to 9 1 9 (unless the Board otherwise (in its sole discretion) agrees) be a Retiring Member and shall be deemed immediately before any such event to have served a Transfer Notice

9 1 1 the liquidation (voluntary or otherwise) of the Retiring Member, other than a genuine solvent reconstruction or amalgamation in which the new company assumes (and is capable of assuming) all the obligations of the Retiring Member,

9 1 2 an order is made by a court of competent jurisdiction or a resolution is passed for the administration of the Retiring Member,

9 1 3 any step is taken by any person other than a member of the other party's Group (and is not withdrawn or discharged within 90 days) to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Retiring Member,

9 1 4 the Retiring Member being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986,

- 9 1 5 the Retiring Member entering into a composition or arrangement with its creditors,
- 9 1 6 any chargor enforcing any charge created over any shares held by the Retiring Member in the Company,
- 9 1 7 the Retiring Member becoming bankrupt or making any arrangement or composition with its creditors,
- 9 1 8 if the Retiring Member is a holder of 'A' Ordinary Shares, such Retiring Member ceasing to be an employee, consultant or director and not continuing in that capacity in relation to the Company, or
- 9 1 9 subject to Article 9 9, if the Retiring Member is a Founder Shareholder and ceases to be an employee, consultant or director and not continuing in any such capacity in relation to the Company For the avoidance of doubt any resignation by Alex Korda (with the consent of the Board) from his position as chief executive officer to the role of part time Chairman or non executive director shall not constitute him as a Retiring Member
- 9 2 On receipt by the Company of a Transfer Notice deemed to be given under Article 9 1 8 or 9 1 9 the Board (at its sole discretion) (or the Investors for the purposes of Clause 9 1 9) shall be entitled to direct that the Retiring Member transfers his 'A' Ordinary Shares or where applicable the Ordinary Shares -
- 9 2 1 to the Company (if lawful to do so), or
- 9 2 2 to any trust established or to be established by the Company to hold Shares for the benefit of employees of the Company, or
- 9 2 3 to a suitable nominee, and
- to the extent that the Board does not give such direction, his 'A' Ordinary Shares or Ordinary Shares shall be offered for sale to the other holders of the 'A' Ordinary Shares and then to holders of the Ordinary Shares in accordance with Article 8 5 above In the event that any 'A' Ordinary Shares or Ordinary Shares are not transferred in accordance with this Article 9 2, the provisions of Article 8 9 shall apply
- 9 3 If a Transfer Notice is deemed to be given pursuant to Articles 9 1 1 to 9 1 7 inclusive, then the price for each of the Shares the subject of the Transfer Notice

(Transfer Price) shall be the price per Share determined in accordance with Article 12

9 4 If a Transfer Notice is deemed to be given pursuant to Article 9 1 8 or 9 1 9 by

9 4 1 a Retiring Member who is a

- (a) Good Leaver, then the Transfer Price shall be agreed or determined in accordance with Article 8 4 above, or
- (b) Bad Leaver, then the Transfer Price shall be the lower of the price agreed or determined in accordance with Article 8 4 above or the Subscription Price per Share which the Retiring Member paid for each such Share, or

9 4 2 a Founder Shareholder who is a

- (a) Good Leaver or a No Fault Leaver (subject to Article 9 9 and 9 10 below) the Transfer Price shall be market value agreed between the Founder Shareholder and the Board, or
- (b) Bad Leaver, the Transfer Price shall be the lower of the Subscription Price per Share which the Founder Shareholder paid for each such Share and market value,

provided that if the Founder Shareholder serves notice on the Company alleging that he is a No Fault Leaver by reason of his being unfairly or wrongfully dismissed by the Company then the provisions of Article 9 10 shall apply

9 5 If, following a transfer of Shares pursuant to Article 7 1, the transferee ceases to be a person to whom the transferor would be entitled to transfer Shares pursuant to such Article, the transferee shall, within 21 days of so ceasing, transfer the Shares held by it to the transferor or to some other person to whom the transferor would be entitled to transfer such Shares pursuant to these Articles and failing such transfer shall be deemed to have given a Transfer Notice in accordance with Article 8 1

9 6 In any case where a Transfer Notice is required to be given in respect of any Shares and such Transfer Notice is not duly given within a period of one week, such Transfer Notice shall be deemed to have been given at the expiry of the said period

and the provisions of these Articles relating to Transfer Notices shall take effect accordingly unless a majority of the Directors elect otherwise

9 7 Where any Transfer Notice is deemed to have been given in accordance with this Article 9, the deemed Transfer Notice shall be treated as having specified -

9 7 1 that all the Shares registered in the name of the Proposing Transferor shall be included for transfer, and

9 7 2 the Transfer Price is as determined in accordance with Article 9 3 or 9 4 above

9 8 In any case where a Shareholder (or his personal representative) has been required to give or has been deemed to have given a Transfer Notice pursuant to the provisions of this Article 9 and subsequently becomes the holder of further Shares in the Company by virtue of the holding of any Shares comprised in such Transfer Notice (whether by rights or bonus issue or conversion or pre-emption rights on issue or transfer or howsoever otherwise) a majority of the Directors may at any time thereafter determine in their absolute discretion that he (or his personal representatives as appropriate) shall be deemed to have served a Transfer Notice pursuant to Articles 7 or 9 (as appropriate) in respect of such further Shares

9 9 For the avoidance of doubt the provisions of this article 9 will not apply in the event of the cessation of the employment of either Founder Shareholder with the Company where he is a No Fault Leaver and the relevant Founder Shareholder (or his estate as the case may be) has elected that the shares held by him (or vested in his estate) shall not be offered for sale In the case of such election such Ordinary Shares shall be reclassified as B Ordinary Shares on a 1 1 basis Such 'B' Ordinary Shares shall be automatically restored to Ordinary Shares immediately prior to a Listing, in accordance with Article 3 4 2

9 10 If the Founder Shareholder serves notice on the Company alleging that he is a No Fault Leaver by reason of his being unfairly or wrongfully dismissed by the Company within 30 days of the date of cessation of the Founder Shareholder's employment with the Company, the provisions of Article 9 shall be suspended until such time as either

9 10 1 three months since the date of cessation of the Founder Shareholder's employment by the Company have elapsed and no formal claim has been made to an industrial tribunal or other court of competent jurisdiction by the

Founder Shareholder and in such circumstances Article 9 4 2 shall apply,  
or

- 9 10 2 a formal claim has been made to an industrial tribunal or other court of competent jurisdiction by the Founder Shareholder and has been resolved either by agreement between the Founder Shareholder and the Company (with Investor Consent) or determined and no right of appeal lies from such determination and in such circumstances Article 9 4 2 (a) shall apply if the claim has been resolved or determined in the Company's favour and Article 9 4 2 (b) shall apply if the claim has been resolved or determined in the Founder Shareholder's favour

During such period of suspension the voting rights attaching to all Shares owned by the Founder Shareholder (and any Shares held in an entity owned or controlled by him) shall also be suspended

## 10 TAG ALONG OFFER

- 10 1 If the effect of any transfer of Shares by a Shareholder (**the Seller**) (other than a transfer permitted by Articles 7 1 or 7 2 or a transfer to any person who is a Shareholder at the date of adoption of these Articles) would, if completed, be to enable any person or persons Connected with each other or persons Acting in Concert with each other -

10 1 1 to obtain Control over or increase Control beyond that number of Shares in the Company which in aggregate confer 25% or more of the voting rights of any class of Shares normally exercisable at general meetings of the Company, or

10 1 2 to obtain Control over or increase Control beyond 25% in nominal value of any class of Shares of the Company then in issue

the Seller shall procure the making by the proposed transferee of the Seller's Shares, of an offer to all of the other members of the Company (other than any person or persons Connected with each other or Acting in Concert with each other who shall as a consequence of the proposed transfer obtain or, where relevant, increase such Control) to purchase the Shares of such members Every Shareholder on receipt of a Tag Along Offer shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the



offer) Until such Tag Along Offer has been made and completed the Board shall not sanction the making and registration of the relevant transfer

10 2 The Tag Along Offer shall be at a price per Share (**Offer Price**) which is offered or paid or agreed to be paid by the proposed transferee or any person Connected with or any person Acting in Concert with such person for each such Share of a Seller

10 3 In the event of disagreement the calculation of the Offer Price shall be referred to an umpire (acting as expert and not as arbitrator) nominated by and acting at the joint expense of the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (or any successor body thereto) at the request of any of the parties concerned whose decision shall be final and binding In the absence of fraud such umpire shall be under no liability to any person by reason of his calculation or anything done or omitted to be done by him for the purposes thereof or in connection therewith The Seller and any other Shareholder shall provide such umpire with whatever information the umpire reasonably requests for the purposes of the calculation

## 11 **DRAG ALONG OPTION**

11 1 If the holders of 75% or more in nominal value of each class of Shares (including Finance Wales) (together the **Selling Shareholders**) wish to transfer on a bona fide arms length basis any interest in any Shares (other than a permitted transfer under Article 7 or a transfer to any person who is a Shareholder at the date of adoption of these Articles) (**Specified Shares**) to a third party purchaser (**Third Party Purchaser**) where that transfer would if completed enable any person or persons Connected with each other or persons Acting in Concert with each other -

11 1 1 to obtain Control over or increase Control beyond that number of Shares in the Company which in aggregate confer 75% or more of the voting rights of any class of Shares normally exercisable at general meetings of the Company, or

11 1 2 to obtain Control over or increase Control beyond 75% in nominal value of any class of Shares of the Company then in issue

the Selling Shareholders may give a notice to that effect (**Drag Along Notice**) to all other Shareholders (**Dragged Shareholders**)

- 11 2 The Drag Along Notice shall also
- 11 2 1 state the number of Specified Shares which the Selling Shareholders propose to transfer to the Third Party Purchaser,
  - 11 2 2 state the price per Share at which it is proposed to transfer the Specified Shares to the Third Party Purchaser (**the Price**),
  - 11 2 3 invite each of the Dragged Shareholders to state in writing by a specified date being 28 days from the date of the Drag Along Notice whether they wish to purchase the Specified Shares at the Price, and
  - 11 2 4 state that the offer by the Selling Shareholders to the Dragged Shareholders shall be conditional upon all and not part only of the Specified Shares being sold to the Dragged Shareholders at the Price
- 11 3 The Specified Shares shall be offered on the basis that, in the event that acceptances are received for a greater number of Specified Shares than the maximum number of Specified Shares available for purchase, the Specified Shares shall be sold to the members who have accepted the offer in proportion (as nearly as may be) to their existing holdings of Shares, subject to the maximum number of Specified Shares which each has indicated he wishes to purchase
- 11 4 Within seven days of the closing of the offer to Dragged Shareholders pursuant to Article 11 2 the Company shall give notice of each allocation of Specified Shares in accordance with Articles 11 2 (**Allocation Notice**) to the Selling Shareholders and each of the Dragged Shareholders to whom Specified Shares have been allocated and shall specify in the Allocation Notice the place and time (being not more than 28 days after the date of the Allocation Notice) at which the sale of the Sale Shares shall be completed **PROVIDED** If the total number of Specified Shares applied for is less than the total number of Specified Shares for Sale then the Allocation Notice shall contain a further invitation open for 21 days to those persons to whom Specified Shares have been allocated to apply for further Specified Shares (in which case completion of the Specified Shares shall not take place until expiry of the said 21 day period) and completion of the sale of Specified Shares shall be conditional upon such offer being accepted in relation to all of the Specified Shares
- 11 5 Upon such allocation being made as aforesaid, each of the Selling Shareholders shall be bound, on payment of the Price, to transfer the Specified Shares comprised in the Allocation Notice to the Dragged Shareholder(s) If a Selling Shareholder

makes default in so doing the Chairman (provided he is not the Selling Shareholder) or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed attorney of the Selling Shareholders with full power to execute, complete and deliver in the name and on behalf of the Selling Shareholder a transfer of the relevant Specified Shares to the Dragged Shareholder(s) and the Board may receive and give a good discharge for the purchase money on behalf of the Selling Shareholder and (subject to the transfer being duly stamped) enter the name of the Dragged Shareholder(s) in the register of members as the holder or holders by transfer of the Specified Shares so purchased. The Board shall forthwith pay the purchase money into a separate bank account in the Company's name and shall hold such money on trust (but without interest) for the Selling Shareholders until delivery up of the certificate or certificates for the relevant Specified Shares to the Company when the Selling Shareholder shall thereupon be paid the purchase money.

- 11.6 In the event that the Dragged Shareholders do not respond in writing to the Company within the periods specified in Articles 11.2.3 or 11.4 (as the case may be) or if the condition set out in Article 11.2.4 is not satisfied, the Dragged Shareholders shall be required to transfer at the Price all their Shares (**Dragged Shares**) to the Third Party Purchaser or as the Third Party Purchaser shall direct and in which case the provisions of Article 11.5 shall be read as if references to "Selling Shareholders" were references to Dragged Shareholders, as if references to "Dragged Shareholders" were references to the Third Party Purchaser and as if references to "Specified Shares" were references to the Dragged Shares.
- 11.7 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control as referred to in Articles 11.1.1 or 11.1.2 caused by a transfer of Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Drag Along Notice.
- 11.8 Unless otherwise agreed between the Shareholders, completion of a sale of the Specified Shares by the Selling Shareholders shall take place on the date specified in Article 11.4 or, in the case of the sale of Dragged Shares by the Dragged Shareholders, on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless that date is less than 28 days after the Drag

Along Notice, where it shall be deferred until the 29<sup>th</sup> day after the Drag Along Notice

## **12 TRANSFER PRICE**

12 1 In the event that the Auditors are required to determine the price at which Shares are to be transferred pursuant to these Articles such price shall be the amount the Auditors shall on the application of the Board certify in writing to be the price which in their opinion represents the open market value of each Share being the sum which a willing purchaser would agree with a willing seller to be the purchase price for all the Shares of the Company (taking account of any under option) divided by the number of issued Shares and Shares under option subject to provision being made for all liabilities (whether actual or contingent) of the Company including all costs associated with any development of the Company's assets and so that there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability or options of over the Shares to be sold

12 2 In so certifying, the Auditors shall act as experts and not as arbitrators and their decision shall be final and binding on the parties

12 3 In the event that the Auditors' are required to perform a valuation under this Article 12 as a result of the Board and a transferring Shareholder failing to agree the Transfer Price, the Auditors' costs of determining the Transfer Price shall be borne by the Company unless the Auditors' valuation is between 100% and 110% of the Board's valuation, in which case the Auditors' costs shall be borne equally by the Company and by the transferring Shareholder

## **13 GENERAL MEETINGS**

13 1 If a meeting is adjourned under Regulation 41 of Table A because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those member or members present at such adjourned meeting shall form a quorum, and Regulation 41 of Table A shall be modified accordingly

13 2 A poll may be demanded by the Chairman or by any Shareholder present in person or by proxy and having the right to vote at the meeting and Regulation 46 of Table A shall be modified accordingly

13 3 Regulation 59 of Table A shall be modified by the addition at the end of the following sentence "Deposit of an instrument of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment thereof"

13 4 Regulation 62 of Table A shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the Regulation after the word "invalid" of the words "unless a majority of the Directors resolve otherwise"

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

14 1 Regulation 54 of Table A shall not apply to the Company

14 2 The words "be entitled to" shall be inserted between the words "shall" and "vote" in regulation 57 of Table A

#### 15 **WRITTEN RESOLUTIONS**

15 1 Regulation 53 of Table A shall be modified by the addition at the end of the following sentence "If such a resolution in writing is described as a special resolution or as an extraordinary resolution or as an elective resolution, it shall have effect accordingly"

15 2 A resolution signed by any director or the secretary of a corporation which is a member shall be validly executed by that member for the purposes of Regulation 53 of Table A

#### 16 **DIRECTORS**

16 1 Unless otherwise determined by ordinary resolution the number of Directors (other than alternate directors) shall be not less than two Regulation 64 of Table A shall not apply to the Company

16 2 Any Director or member of a committee of the Board may participate in a meeting of the Board or such committee by means of conference, telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other and any Director or member of a committee participating in a meeting in this manner shall be deemed to be present in person at such meeting

- 16 3 The Directors shall not be liable to retire by rotation and accordingly the second and third sentences of Regulation 79 of Table A shall not apply to the Company and in Regulation 79 of Table A the words "Subject as aforesaid" and "and may also determine the rotation in which any additional directors are to retire" shall be deleted and the last sentence of Regulation 78 shall be deleted
- 16 4 A member or members holding a majority of the voting rights in the Company (within the meaning of section 1159) of the Act) shall have power at any time, and from time to time, to appoint any person to be a director, either as an additional director (provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 16 1 as the maximum number of directors for the time being in force) or to fill a vacancy and to remove from office any director howsoever appointed Any such appointment or removal shall be made by notice in writing to the Company signed by the member or members making the same or, in the case of a member being a corporate body, signed by one of its directors or duly authorised officers or by its duly authorised attorney and shall take effect upon lodgement of such notice at the office
- 16 5 The office of any Director shall be vacated if all the other Directors request his resignation in writing and the provision of Regulation 81 of Table A shall be extended accordingly
- 16 6 Regulations 94 to 98 (inclusive) of Table A shall not apply to the Company
- 16 7 Whilst and so long as the Investors hold shares in the capital of the Company, they each shall be entitled to appoint by written notice to the Company from time to time one person as a Director
- 16 8 The quorum for meetings of the Board shall be two directors one of whom must be a director appointed pursuant to Article 16 7 (if that right has been exercised)

## **17 ALTERNATE DIRECTORS**

- 17 1 A Director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate Director to represent more than one director, and an alternate Director shall be entitled at any meeting of the Board or of any committee of the Board to one vote for every Director who he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present

17 2 Regulation 68 of Table A shall be modified by the addition at the end of the following sentence "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the Directors"

17 3 An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Regulation 66 in Table A shall be modified accordingly

## 18 **COMPANY SEAL**

18 1 If the Company has a seal it shall only be used with the authority of the Board or of a committee of the Board The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or a second Director The obligations under Regulation 6 of Table A relating to the sealing of Share certificates shall apply only if the Company has a seal

18 2 The Company may exercise the powers conferred by Section 39 of the Companies Act 1985 with regard to having an official seal for use abroad, and such powers shall be vested in the Board

## 19 **BORROWING POWERS**

The Directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party

## 20 **INDEMNITY**

20 1 Subject to the provisions of the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director, alternate director, secretary or other officer or employee of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses, damages and liabilities which he may sustain or incur in or about the execution of his duties or the exercise of his powers or otherwise in relation hereto including without prejudice to the

generality of the foregoing, any liability incurred defending any proceedings, whether civil or criminal, which relate to anything done or omitted to alleged to have been done or omitted by him as an officer or employee of the Company in which judgement is given in his favour or in which he is acquitted, or which are otherwise disposed of without any finding or admission of material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

- 20 2 The Directors may exercise all the powers of the Company to purchase and maintain for any Director, auditor or other officer (including former directors and other officers) or any other person insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against

21 **NOTICES**

A notice may be given under these Articles either personally or by sending it by prepaid first class post or airmail to the recipients address stated in the Company's register of members or to any other address supplied by the recipient to the Company for the giving of notice to him. A properly addressed and prepaid notice sent by post shall be deemed to have been served at an address within the United Kingdom at the expiry of 48 hours after the notice is posted