COUNTRY HOUSE MAGAZINE LIMITED

(Registered in England and Wales No. 5768508)

THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS

(Passed on 7 February 2007)

I, the undersigned, being the sole member of the above company (the "**Company**") for the time being entitled to receive notice of, attend and vote at a general meeting of the Company for the purpose of considering the following resolutions **RESOLVE** (pursuant to Regulation 53 of Table A (as prescribed by the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985), and with the intent that the following resolutions shall be as valid and effective as if the same had been passed at a duly convened and held general meeting of the company, as follows:

ORDINARY RESOLUTION

1. **THAT** each of the 1,000,000 Ordinary Shares of £1 each, forming part of the authorised share capital of the Company (whether issued or unissued), be sub-divided into and re-designated as one hundred ordinary shares of 1p each so that the authorised share capital of the Company immediately following the passing of this resolution shall be £1,000,000 divided into 100,000,000 Ordinary Shares of 1p each.

2. **THAT** 5,000 of the unissued Ordinary Shares of 1p of the Company be re-designated as 5,000 new class "A" Ordinary Share of 1p each, and 2,000 of the unissued Ordinary Shares of 1p of the Company be re-designated as 2,000 new class "B" Ordinary Shares of 1p each, so that immediately following the passing of resolutions 1 and 2 the authorised share capital of the Company shall be £1,000,000 divided into:

   999,993,000 Ordinary Shares of 1p each;

   5,000 A Ordinary Shares of 1p each; and

   2,000 B Ordinary Shares of 1p each.

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SPECIAL RESOLUTIONS

2. **THAT**, subject to the passing of resolutions 1, and 2, the Articles of Association, produced to the meeting and initialled by the Chairman for the purposes of identification only, be and hereby are adopted to the exclusion of and in substitution for the existing Articles of Association of the Company with immediate effect.

3. **THAT** I hereby waive any pre-emption rights I have in respect of the issue of 5,000 "A" Ordinary Shares of £0.01 each and 3,000 Ordinary Shares of £0.01 each in the capital of the Company to be allotted following the passing of these resolutions as follows:

Allottee	No. of "A" Ordinary Shares of £0.01 Each
Venrex LP	1,563
John and Annoushka Ayton	1,250
Dominic Vail	1,094
John Barratt	625
Jeremy Isaac	234
Andrew Wheeler	117
James Wheeler	117
	5,000

Allottee	No. of Ordinary Shares of £0.01 Each
Jeremy Isaac	1,000
Lucy Cleland	425
Fiona Kirkness	425
Camilla van Praagh	425
Gillian Newey	425
Annabel Llewelyn Palmer	250
Mark Pearson	50
	3,000

as well as up to 2,000 "B" Ordinary Shares of £0.01 each in the capital of the Company.

4. **THAT** for the purposes of Section 80 of the Companies Act 1985 the directors are hereby authorised in substitution for all such authorities previously granted, to allot shares of the Company to such persons and for such consideration and upon such terms and conditions as they may determine up to the amount of the share capital of the Company provided that this authority (unless previously revoked or renewed) shall expire 5 (five) years from the date hereof save that the Company may before such expiry make an offer or agreement which

would or might require relevant securities to be allotted after such expiry as if the authority conferred hereby had not expired.

Jeremy Isaac

Articles of Association

COUNTRY HOUSE MAGAZINE LIMITED

Company number: 5768508

Date of incorporation: 4 April 2006

Adopted by special resolution dated 7 February 2007

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The Companies Act 1985

Company limited by shares

Articles of Association

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1. **Preliminary**

1.1 Except as otherwise provided in these Articles, the regulations contained or incorporated in Table A shall apply to the Company.

1.2 These Articles and the regulations incorporated in them shall take effect subject to the requirements of the Act and of every other statute for the time being in force affecting the Company.

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

"A Ordinary Shares"	the A ordinary shares of £0.01 each in the capital of the Company;
"Act"	the Companies Act 1985 and every statutory modification or re-enactment thereof for the time being in force;
"B Ordinary Shares"	the B ordinary shares of £0.01 each in the capital of the Company;
"Bad Leaver"	a person who ceases to be an employee at any time and who is not a Good Leaver;
"Benefits"	all salary, fees and emoluments including sums paid by way of allowance (if taxable), pension contributions and the cash value of benefits in kind;
"Board"	the board of Directors of the Company;
"Connected Persons"	as defined by Section 839 Income and Corporation Taxes Act 1988;
"Controller"	for the purposes of Article 11.2, in

	relation to a corporate member a person who has the power or ability to direct the management or the policies of the corporate member, whether through the ownership of voting capital, by contract or otherwise;
"Controlling Interest"	an interest (within the meaning of Schedule 13, Part 1 and Section 324 of the Act) in shares conferring in aggregate 50% or more of the total voting rights conferred by all the shares in the Equity Share Capital of the Company for the time being in issue;
"Deed of Adherence"	a deed of adherence to the Investment Agreement substantially in the form set out in the Investment Agreement;
"Directors"	the directors for the time being of the Company;
"Fair Price"	as determined in accordance with Article 2.3;
"Equity Shares"	The Ordinary Shares and A Ordinary Shares and B Ordinary Shares;
"Family Trust"	a trust under which no immediate beneficial interest in the shares in question is for the time being or may in the future be vested in any person other than the Shareholder concerned or the beneficiaries thereof and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustee or trustees or the Shareholder concerned or a Privileged Relation of such Shareholder;
"Good Leaver"	a person who ceases to be an employee at any time by reason of: - (i) death; (ii) permanent incapacity; (iii) physical disability;

(iv) a serious pathological psychological illness;

(v) redundancy;

(vi) the Company (or a member of the Group) terminating his contract of employment or consultancy, as the case may be, by serving notice (in accordance with the terms of that contract) in circumstances where the Employee is not in breach of his contract;

(vii) dismissal by the Company (or a member of the Group) which is determined by either counsel of at least five years standing, an employment tribunal or at a court of competent jurisdiction (from which there is no right to appeal) to be wrongful or constructive;

(viii) attaining retirement age as set out in his contract of employment;

(ix) the Board (at which the Investor Director is present) determining that he is a Good Leaver.

"Group"	the Company and its Subsidiaries for the time being and **"Group Company"** means any of them;
"Investment Agreement"	an investment agreement of today's date made between (1) the Manager (as defined therein) (2) the Company and (3) the Investors (as defined therein);
"Investors"	the Private Equity Investors as defined in the Investment Agreement
"Investor Consent"	the written consent of the holders of 75% or more of the nominal value of the "A" Ordinary Shares or their Permitted Transferees;
"Investor Director"	the Director appointed in accordance with Article 19;
"Listing"	the admission of any part of the Equity Share Capital of the Company to the

	Official List of the UK Listing Authority or the grant of permission by the London Stock Exchange Limited to deal in any of the Company's shares on any other recognised investment exchange (as defined by Section 285, Financial Services and Markets Act 2000) AIM and such permission becoming effective;
"Maximum"	as defined in Article 9.3;
"Offered Shares"	as defined in Article 9.2;
"Ordinary Shares"	the ordinary shares of £0.01 each in the capital of the Company;
"Original Members"	those persons subscribing for "A" Ordinary Shares and Ordinary Shares pursuant to the Investment Agreement;
"Permitted Transfers"	transfers pursuant to Article 8;
"Permitted Transferees"	permitted transferees receiving shares pursuant to Permitted Transfers;
"Privileged Relation"	in relation to a Shareholder, the spouse or widow or widower of the Shareholder and the Shareholder's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Shareholder's children;
"Purchaser"	a person who expresses a willingness to purchase Offered Shares;
"Relevant Directors"	the directors and former directors of the Company and its Subsidiaries and their Connected Persons;
"Sale"	the sale of the whole or substantially the whole of the undertaking of the Company;
"Shareholder"	a holder for the time being of shares in the capital of the Company;
"Shares"	the issued shares in the capital of the

	Company from time to time;
"Specified Event"	a transfer of a Controlling Interest, a Listing or a Sale;
"Subsidiary"	a subsidiary undertaking for the purposes of the Act and **"Subsidiaries"** shall be construed accordingly;
"Table A"	Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended);
"Transfer Notice"	as defined in Article 9.1; and
"Wholly-owned Group"	a body corporate and any holding company of which it is a wholly-owned subsidiary and any other wholly-owned subsidiaries of that holding company (including any wholly-owned subsidiary of the body corporate).

1.4 References in these Articles to:

(a) **"employees"** shall be deemed to include consultants and contracts of, commencement or cessation of, employment shall include contracts for, commencement or cessation of consultancy ; and

(b) a **"share"** shall include any interests in shares referred to in Section 209(1)(a) and (e) and 209(10)(c) of the Act.

1.5 The headings to these Articles do not affect the construction of these Articles.

2. Authorised share capital

The authorised share capital of the Company at the date of adoption of these Articles is £1,000,000 divided into:

- 999,993,000 Ordinary Shares of £0.01 each
- 5,000 A Ordinary Shares of £0.01 each
- 2,000 B Ordinary Shares of £0.01 each

3. Dividends

A dividend may be payable to the Ordinary Shareholders A Ordinary Shareholders and B Ordinary Shareholders subject to the discretion of the Board.

4. Liquidation Preference and Exit

4.1 On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares the holders of the A Ordinary Shares and the holders of the B Ordinary Shares pro-rata as if they constituted one class of shares.

4.2 The proceeds of a Sale shall be distributed in the order of priority set out in Article 4.1. The directors shall not register any transfer of shares giving rise to a transfer of a Controlling Interest if the proceeds of sale are not distributed in that manner (save in respect of any shares not sold in connection with that Sale), provided that if the proceeds of sale are not settled in their entirety on completion :

(a) the directors may register the transfer of the relevant shares, provided that the proceeds have been distributed in the order of priority set out in Article 4.1; and

(b) the members shall take any action required to ensure that the proceeds of sale are distributed in the order of priority set out in Article 4.1.

5. Voting

5.1 Shares in the Company shall carry votes as follows:

Ordinary Shares	:	*one vote per share*
A Ordinary Shares	:	*one vote per share*
B Ordinary Shares	:	*one vote per share*

5.2 Notwithstanding the provisions of Article 5.1 the number of votes attaching to the A Ordinary Shares shall be restricted so that the voting rights conferred on such A Ordinary Shares shall represent 50% of the voting rights attaching to all shares in the capital of the Company and each A Ordinary Share shall have a relative proportion of such voting right, and the number of votes attaching to the Ordinary Shares shall be increased so that the voting rights conferred on such Ordinary Shares shall represent 50% of the voting rights attaching to all shares in the capital of the Company and each Ordinary Share shall have a relative proportion of such voting rights.

5.3 Votes on shares may be exercised:

5.3.1 on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative (in which case each member holding shares with votes shall have one vote);

5.3.2 on a poll by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding shares with votes shall have one vote for each such share held).

6. Variation of class rights

6.1 Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, whether or not the Company is being wound up, be varied, modified, abrogated or cancelled only with the consent in writing of the holders of 75% in nominal value of the issued shares of that class.

6.2 Without prejudice to the generality of this Article 6, the special rights attached to the A Ordinary Shares and the Ordinary Shares treating the same as a single class together shall be deemed to be varied by:

(a) the Company:

(i) altering its memorandum or articles of association; or

(ii) varying in any way (whether directly or indirectly) the rights attached to any of the shares for the time being in the capital of the Company; or

(iii) applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company; or

(iv) entering into a contract to purchase any of its shares; or(v) redeeming any of its shares (except as specifically provided for in these articles); or

(vi) passing a resolution that it be wound up.

(b) the Company or any of its subsidiaries:

(i) adopting a share option scheme;

(ii) altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital; or

(iii) granting any option or other right to subscribe for shares; or

(iv) disposing of its undertaking or any substantial part thereof; or

(v) disposing of or acquiring any interest in any share in the capital of any company; or

(vi) altering the accounting reference date of any company.

7. **Lien**

The lien conferred by Regulation 8 of Table A shall attach also to fully paid-up shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing 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, for all moneys presently payable by him or his estate to the Company.

8. **Permitted transfers**

8.1 ***Transfers to family shareholders, trusts and nominees:***

(a) Any Shareholder (or the legal personal representatives of a deceased Shareholder) may at any time transfer any of the shares held by him at the date of adoption of these Articles to a Privileged Relation or the trustees of his Family Trust.

(b) The trustees of a Family Trust may, on change of trustees, transfer shares held by them in their capacity as trustees to the new trustees of that Family Trust.

(c) The trustees of a Family Trust may also transfer any of the shares held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust.

(d) Shares may be transferred by a member to a person to hold such shares as his nominee but any transfers by such nominees shall be subject to the same restrictions as though they were transfers by the original member himself.

(e) Shares may be transferred without restriction by a nominee to their beneficial owner or to another nominee of the beneficial owner.

(f) If any trust whose trustees hold shares in the Company ceases to be a Family Trust, the trustees shall without delay notify the Company that such event has occurred and shall give a Transfer Notice in respect of those shares and, if the trustees fail to give a Transfer Notice, they shall be deemed to have served the Company with a Transfer Notice in respect of those shares.

8.2 ***Transfers by corporate shareholders***

(a) A corporate member may at any time transfer shares to another member of its Wholly-owned Group.

(b) If a corporate member holding shares transferred to it under Article 8.2(a) ceases to be a member of the same Wholly-owned Group as the original corporate member who held them, the corporate member then holding those shares shall without delay notify the Company that this event has occurred and shall give a Transfer Notice in respect of them and, if the corporate member then fails to give a Transfer Notice, it shall be deemed to have served the Company with a Transfer Notice in respect of them.

(c) If there is a change in the Controller (or, if more than one, any of them) of a corporate member, or any holding company of a corporate member, then that member shall notify the Company that such event has occurred and shall give a Transfer Notice in respect of the shares registered in its name and, if that member then fails to give a Transfer Notice, it shall be deemed to have served the Company with a Transfer Notice in respect of those shares.

8.3 ***Transfers by Venrex***

Any shareholder which is a fund managed by Venrex Investment Management LLP may transfer shares to any other fund managed by Venrex Investment Management LLP and the shares held in any such funds may be transferred to investors in such fund as may be required by the funds constitutional documents.

9 **Pre-emption procedure**

9.1 Except as provided in Articles 8 or 13 no member, or person entitled to shares in the Company by transmission, shall be entitled to transfer his shares without first offering them for transfer to the holders of the Ordinary Shares and "A" Ordinary Shares as if they were one class of shares. The offer may be in respect of all or part only of the shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company ("**a Transfer Notice**").

9.2 The Transfer Notice shall specify the shares offered ("**the Offered Shares**") and the price at which they are offered ("**the Specified Price**"). The Transfer Notice shall constitute the Directors as the agent of the proposing transferor for the sale of the Offered Shares to other holders of shares whether or not of the same class at the Specified Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect. The Transfer Notice may not be revoked unless the Directors with Investor Consent otherwise agree.

9.3 On receipt by the Company of the Transfer Notice the Directors shall as soon as practicable give notice to all the holders of shares (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price. The notice shall invite each of the members to state in writing to the Company within 30 days whether he is willing to purchase any, and if so what maximum number ("**Maximum**"), of the Offered Shares. The Directors shall at the same time give a copy of the notice to the proposing transferor.

9.4 To the extent that the holders of shares to whom a Transfer Notice is sent pursuant to Article 9.3 indicate they are not willing to purchase all of the Offered Shares, such shares shall be offered by the Directors for sale to the Company for purchase by it to the extent that it can lawfully do so. Such an offer shall be made by giving the Company 30 days notice in writing which shall state the number of Offered Shares not taken up by members under Article 9.3. Upon the expiry of the 30 day period given to the Company the Directors shall allocate the relevant Offered Shares to the Company as it may have expressed a willingness to purchase.

9.5 On the expiration of the 30 day period referred to in Article 9.4 the Directors shall allocate the Offered Shares to or amongst the Purchasers as follows:

(a) each allocation shall in the case of competition be made pro rata to the nominal amount of shares held by him but shall not exceed the Maximum which such holder shall have expressed a willingness to purchase;

(b) if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.

9.6 On the allocation being made, the Directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.

9.7 If the proposing transferor after becoming bound to transfer Offered Shares fails to do so, the Company may receive the purchase price on his behalf and the Directors may appoint a person to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the

purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the Register of Members of the Company under this provision, the validity of the transactions shall not be questioned by any person.

9.8 If, following the expiry of the 30 day period referred to in Article 9.4, any of the Offered Shares have not been allocated under that Article, the proposing transferor may (subject to the provisions of Article 9) at any time within a period of 90 days after the expiry of the 30 day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Specified Price) provided that:

(a) if the Transfer Notice contained a provision that, unless the Offered Shares are sold under this Article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred; and

(b) the Directors may require to be satisfied that those Offered Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the Purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the Directors' absolute discretion to refuse to approve or register any transfer of shares in the circumstances described in Article 11).

10. **Compulsory Transfers**

10.1 Regulations 29, 30 and 31 of Table A shall be applied subject to the provisions of Article 9.2 and of Article 10.

10.2 A person entitled to a share in consequence of the bankruptcy or death of a member or a member ceasing to be a director or employee of the Company shall be bound at any time, if and when required in writing by the Board so to do, to give a Transfer Notice in respect of such share, and if such person fails to give a Transfer Notice, he shall be deemed to have served the Company with a Transfer Notice in respect of that share. The provisions of Article 9 shall apply to the share and the Transfer Notice; the Transfer Notice (if not actually given) shall be deemed to have been received by the Company on the date on which the Directors required the Transfer Notice to be given (which the Directors shall be obliged to do upon becoming aware of the circumstances giving them the right so to do, subject to Article 10.4) and in the case of a person entitled to share in consequence of the bankruptcy or death of a member the Specified Price shall be the Fair Price as at the date on which the Transfer Notice is either actually given or deemed to have been received by the Company and the

Directors shall give notice under Article 9.3 as soon as the Specified Price is ascertained.

10.3 Subject to Article 10.4 if any employee ceases to be an employee of the Company the relevant employee shall be deemed to have given a Transfer Notice on such date and the provisions of Article 10.2 shall apply mutatis mutandis. In such circumstances the Specified Price shall be as follows:

10.3.1 where the employee ceases to be an employee by reason of being a Bad Leaver, the lower of the Fair Price and the nominal value of his shares;

10.3.2 where the employee ceases to be an employee by reason of being a Good Leaver, the Fair Price of his shares;

10.4 If any employee ceases to be an employee of the Company the relevant employee shall be entitled to retain his shares if the Board (at which the Investor Director (if appointed) is present) so consents.

11. **Registration of transfers**

11.1 The Directors shall refuse to register a proposed transfer not made under or permitted by Articles 9 to 14 (inclusive).

11.2 The Directors may also refuse to register a transfer of a share on which the Company has a lien.

11.3 A person executing an instrument of transfer of a share is deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect of it.

11.4 The Directors shall (unless he is already a party to the Investment Agreement) refuse to register an allottee or transferee of shares or a person entitled to shares by transmission until he has executed (in a form satisfactory to the Investor Director) a Deed of Adherence under which he undertakes to adhere to and be bound by the provisions of the Investment Agreement as if he were an original party to it and an original copy of this a Deed of Adherence has been delivered to the Company.

11.5 The first sentence of Regulation 24 of Table A shall not apply.

12. **Limitations on Transfer**

12.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a person or persons who are not Original Members unless the proposed transferee or transferees or his or their nominees are independent third parties acting in good faith and has or

have offered to purchase all the Equity Shares at the same time and at the same price and does so purchase the same accordingly.

13. **Drag along**

13.1 After the expiration of 5 years from 1 March 2007 if the holders of 50% of the Ordinary Shares Ordinary Shares and 50% of "A" Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a bona fide arms length purchaser (the "**Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Equity Shares (the "**Called Shareholders**") to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article. For the avoidance of doubt, Called Shareholders shall include all persons entitled to exercise any option they have to acquire shares in the Company as a result of the decision by the Selling Shareholders to sell the Sellers' Shares.

13.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a "**Drag Along Notice**") at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the "**Called Shares**") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer.

13.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

13.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall, at the option of the Selling Shareholders, be either:

(a) the same as that attributed by the offer from the Third Party Purchaser to each ordinary share ("the Equivalent Consideration"); or

(b) any other consideration certified by the Company's auditors as being no less favourable than the Equivalent Consideration.

13.5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:

(a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or

(b) that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.

13.6 The rights of pre-emption set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.

13.7 If any holder of Equity Shares does not on the due Completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and the directors shall forthwith register the Third Party Purchaser (or as he may direct) as the holder thereof and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.

13.8 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company ("**a New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

14. General meetings

14.1 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the Chairman or by any Shareholder present in person or by proxy. Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the Minutes of the proceedings of the Company shall be

conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

14.2 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a second or casting vote.

15. **Written resolutions**

A resolution in writing signed by or on behalf of all the Shareholders for the time being entitled to vote shall be as, effectual as if it had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Shareholder. In the case of a corporation the resolution may be signed on its behalf by a Director of it or by its duly appointed or duly authorised representative. Regulation 53 of Table A shall not apply.

16. **General meeting on members' requisition**

16.1 In addition to any relevant provisions of the Act, the Directors shall forthwith proceed to convene an extraordinary general meeting of the Company on the requisition by Investor Consent, such meeting to be convened for such date as is specified in the requisition or as soon thereafter as the Act permits.

16.2 The requisition must state the objects of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

16.3 If the Directors do not within 7 days from the date of the deposit of the requisition proceed to convene a meeting in accordance with this Article, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of 3 months from that date.

16.4 A meeting convened under this Article by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.

16.5 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a meeting in accordance with this Article shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other

remuneration in respect of their services to such of the Directors as were in default.

17. **Votes of members**

A proxy appointed by a member of the Company under Section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands. Regulation 54 of Table A shall be amended accordingly.

18. **Directors**

18.1 The number of Directors (other than alternate Directors) shall not be less than 2 nor more than 4. Regulation 64 of Table A shall not apply.

18.2 The Directors shall not be subject to retirement by rotation and Regulations 73 to 75 (inclusive) and the last sentence of Regulation 84 of Table A shall not apply and Regulations 76 to 79 (inclusive) shall be amended accordingly.

18.3 The quorum necessary for the transaction of business of the Directors shall be 2 at least one of whom shall be one of the Investor Director if at the time of the meeting the Investor Director has been appointed unless the Investor Director confirms in writing that he does not need to form part of the quorum for any particular meeting.

18.4 In the event of a quorum not being present or ceasing to be present, the meeting shall be adjourned to the same day in the next week at the same time and place , provided that the Investor Director is present at such adjourned meeting; unless the absence of the Investor Director caused the previously convened meeting to be inquorate, in which case those present shall elect a chairman of the meeting.

18.5 Any Director able to participate in the proceedings of a meeting by means of a communication device (including, without limitation, a telephone) which allows all the other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) to hear at all times such Director and such Director to hear at all times all other Directors present at such meeting (whether in person or by proxy or by means of such type of communication device) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.

18.6 The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that all meetings of the Directors shall be held within the United Kingdom. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Unless a majority of the Directors (including the Investor Director) or their duly appointed alternates present in the United Kingdom shall agree to the holding of a

meeting by shorter notice, at least 72 hours' notice of every meeting of Directors shall be given either in writing or by cable or email or other means of visible communication to each Director, unless absent from the United Kingdom. Regulation 88 of Table A shall be amended accordingly.

18.7 A person may be appointed a Director notwithstanding that he shall have attained the age of 65 years and no Director shall be liable to vacate office by reason of his attaining that or any other age.

18.8 At any meeting of the Directors each Director (or his alternate Director) present at the meeting shall be entitled to one vote.

18.9 In the case of an equality of votes at any meeting the Chairman of such meeting shall not be entitled to a second or casting vote. Regulation 88 of Table A shall be modified accordingly.

18.10 Subject to the provisions of Section 317 of the Act, a Director (including an alternate Director) may contract with and participate in the profits of any contract or arrangement with the Company as if he were not a Director. If Investor Consent is obtained, a Director shall also be capable of voting in respect of such contract or arrangement, where he has previously disclosed his interest to the Company, or in respect of his appointment to any office or place of profit under the Company or of the arrangement the terms of it and may be counted in the quorum at any meeting at which any such matters is considered. Regulations 94 to 96 (inclusive) of Table A shall not apply.

18.11 In Regulation 79 of Table A there shall be inserted the words "shall then be eligible for re-election" in place of the words "*shall not be taken into account in determining the directors who are to retire by rotation at the meeting.*"

18.12 A resolution in writing signed by all the Directors shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors, but so that the expression "*Director*" in this paragraph shall not include an alternate Director. Regulation 93 of Table A shall not apply.

18.13 The Directors may by resolution exercise all the powers of the Company to make provision (in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any Subsidiary) for the benefit of persons employed or formerly employed by the Company or that Subsidiary.

18.14 A Director and an alternate Director shall not be required to hold any shares, but nevertheless shall be entitled to attend and speak at any general meeting of the Company.

19. **Appointment of the Investor Director**

Notwithstanding any other provisions of these articles, Venrex Investment Management LLP shall for so long as Venrex LP (or any or its Permitted Transferees) holds "A" Ordinary Shares in the Company (and in default the Investors) shall be entitled to appoint as a director of the Company any person and to remove from office any person so appointed and to appoint another person in his place. Upon the Investor's request the Company shall also procure that the Investor Director is appointed and acts as Chairman of the board of directors of the Company. The remuneration to be paid to the Investor Director shall be such sum to be agreed with the Board and payable by the Company which would also reimburse reasonable expenses incurred in the proper performance of his duties as a director. Upon request by the Investor the Company shall also procure that Investor Director be appointed a director to any subsidiary of the Company.

20. **Alternate Directors**

20.1 Each Director shall have the power at any time to appoint as an alternate Director either another Director or any other person approved for that purpose by a resolution of the Directors (such approval not to be unreasonably withheld), and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the Directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.

20.2 An alternate Director so appointed shall not be entitled as such to receive any remuneration from the Company except only 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, but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.

20.3 An alternate Director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all meetings of the Directors and of any committee of the Directors of which his appointor is a member and to attend and to vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties as a Director of his appointor and to receive notice of all general meetings. Regulation 66 of Table A shall not apply.

20.4 The appointment of an alternate Director shall automatically determine on the happening of any event which if he were a Director would cause him to vacate such office or if his appointor shall cease for any reason to be a Director. Regulation 67 of Table A shall not apply.

20.5 A Director or any other person may act as alternate Director to represent more than one Director and an alternate Director shall be entitled at meetings of the Directors of any committee of the Directors to one vote for every Director whom 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. The last sentence of each of Regulations 88 and 89 of Table A shall not apply.

21. **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part of it, and to issue debentures, debenture stocks and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

22. **Disputes**

22.1 In the event of disagreement as to the calculation of the of the Specified Price, or the Fair Price or as to whether any dividend shall be due under the provisions of these Articles to the holders of any class of share capital in the Company, or as to the amount of such dividend, any such disagreement shall be referred to an umpire (acting as expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any such party) whose decision shall be final and binding and the costs of such umpire shall be borne equally unless the umpire shall otherwise decide in which case the costs shall be borne by the parties in the proportions indicated by the umpire.

22.2 The Specified Price and the Fair Price shall be determined on the following assumptions and bases:

22.2.1 valuing the shares as on an arm's length sale between a willing seller and a willing buyer;

22.2.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

22.2.3 that the shares are capable of being transferred without restriction;

22.2.4 valuing the shares as a rateable proportion of the total value of all the issued shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and

22.2.5 reflect any other factors which the umpire reasonably believe should be taken into account.

22.3 The Board will give the umpire access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.

23. **Notices**

23.1 Every Director of the Company and every alternate Director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any Director or alternate Director shall not invalidate the proceedings at the meeting convened by such notice.

23.2 A notice may be given:

(a) by the Company to any Shareholder or Director either personally or by sending it by first class post (airmail if abroad) or Royal Mail Special Delivery post or by fax or other means of visible communication to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or

(b) to the Company for the purpose of these Articles by like method at its registered office for the time being.

23.3 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. Where a notice is sent by fax or other means of visible communication, service of the notice shall be deemed to be effected forthwith.

24. **Indemnity**

Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation to it, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Sections 144 and 727 of the Act, in which relief is granted to him by the Court, and no Director or other

officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation to it. This Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act. Regulation 118 of Table A shall not apply.