

6229828

CRYSALIN LIMITED

(the "Company")

**WRITTEN RESOLUTION OF THE SOLE MEMBER
DATED JUNE 2007
PURSUANT TO ARTICLE 15 OF
THE ARTICLES OF ASSOCIATION OF THE COMPANY**

SPECIAL RESOLUTION

THAT the regulations contained in the document of which a copy is attached to this resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of its existing articles of association

SIGNED by the sole member of the Company

Name of Shareholder

Professor Martin Noble

Signature

Martin Noble

Dated: 15 June 2007



**ARTICLES OF ASSOCIATION
(Adopted on 15 June 2007)**

of

CRYMALIN LIMITED
Incorporated on: 27 April 2007
Registered number: 6229820

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COMPANIES HOUSE

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CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London EC1A 4DD

T +44(0)20 7367 3000
F +44(0)20 7367 2000

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ARTICLES OF ASSOCIATION
(adopted on 15 June 2007)

of

CRYSLIN LIMITED

WEDNESDAY

1. Interpretation

1.1 Subject as provided in paragraph 1.2 below, the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) ("Table A") shall, together with the following regulations constitute the articles of association of the Company

1.2 Regulations numbered 8, 9, 73 to 80 (both inclusive) and 118 in Table A shall not apply to the Company

1.3 In these Articles

- (a) headings are used for convenience only and shall not affect the construction hereof,
- (b) words and expressions which are defined in Table A shall bear the same meaning where used herein and unless the context otherwise requires or does not so admit or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification or re-enactment thereof not in force on the date on which these Articles become binding on the Company),

(c) in the event of there being any conflict or inconsistency between any provision in Table A which is applicable to the Company and any provision set forth herein, the latter shall prevail,

(d) the following words and expressions shall have the following meanings

"Acquirer" has the meaning ascribed to it in the definition of Majority Change of Control

the "Act": the Companies Act 1985

"Adoption Date" 15 June 2007

"these Articles": these articles of association as amended from time to time (and reference to an "article" shall be construed accordingly)

"Associate": in respect of any Member a person to whom they may make or from whom they have received a Permitted Transfer pursuant to paragraphs (a) (b) or (c) of article 4.5

the "Directors": the Directors for the time being of the Company as a body or a quorum of the Directors present at a meeting of the Directors

"Group Company": the Company and any other company that is for the time being a subsidiary undertaking of the Company (and "Group" shall be construed accordingly)

"IP2IPO" IP2IPO Limited (registered number 4072979)

"IP2IPO Employees Trust" : any trust established by IP2IPO or any member of the IP Group group to acquire and hold Ordinary Shares for the benefit of employees and/or ex-employees of the IP Group and their dependents

"IP Group": the group of companies consisting of IP Group plc (registered number 4204490), any company which is its subsidiary any subsidiary company of its subsidiaries, its holding company or any subsidiary of that holding company

"Listing": the admission of all or any of the ordinary share capital of the Company to the Official List of the UK Listing Authority or the admission of the same to trading on the AIM market of the London Stock Exchange plc or the admission of the same to, or the grant of permission by any like authority for the same to be traded on, any other equivalent or similar share market (including without limitation NASDAQ)

"Majority Change of Control": the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with article 4.5) by any person or persons including a Member (an "Acquirer") of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 50 per cent of the Shares

"Member": any holder for the time being of shares in the capital of the Company of whatever class

"Ordinary Shares": Ordinary Shares of 0.01 pence each in the capital of the Company having rights as set out in these Articles

"Other Nominees": for each Member any person to whom that Member may make a Permitted Transfer

"Permitted Transfer": the transfer of a share as permitted under article 4.5

"Shares": (unless the context does not so admit) shares in the capital of the Company (of whatever class)

"Special Change of Control": the acquisition (whether by purchase, transfer or otherwise but excluding a subscription or a transfer of Shares made in accordance with article 4.5) by an Acquirer, of any interest in any Shares if, upon completion of that acquisition, the Acquirer, together with persons acting in concert or connected with him, would hold or beneficially own more than 75 per cent of the Shares

"UK Listing Authority": the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

- 1.4 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act
- 1.5 References in these Articles to any statute or statutory provision include a reference to that statute or provision as amended, extended, re-enacted, consolidated or replaced from time to time and include any order, regulation, instrument or other subordinate legislation made under the relevant statute or statutory provision
- 1.6 Insofar as Table A shall require that the seal be affixed to any document (including a share certificate) such requirement shall be treated as satisfied if such document is executed as provided in section 36A(4) of the Act (as in force on the Adoption Date)

- 1 7 In accordance with section 91(1) of the Act the provisions of sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the share capital of the Company (present and future)

2 Share capital

The authorised share capital of the Company as at the Adoption Date is £100 divided into 1,000,000 Ordinary Shares

3 Share rights

The rights attaching to the respective classes of Shares shall be as follows

3 1 As regards income

Subject to the provisions of the Act, any profits which the Company may determine to distribute in respect of any financial year shall be applied amongst the holders of the Shares (pari passu as if the same constituted one class of share) in such amounts and on such terms as are determined by the Board

3 2 Return of Capital and Proceeds of Listing or Disposal

For the purpose of this article 3 2 and article 3 3

"Disposal" means the sale or other disposal whether by one transaction or a series of related transactions of the whole or a substantial part of the undertaking of the Company or any other Group Company (other than to a Group Company which is the Company or a wholly owned subsidiary of the Company) where the disposal by any Group Company or Group Companies itself comprises the whole or a substantial part of the undertaking of the Group in circumstances where the proceeds of such sale or disposal are subsequently distributed to shareholders (in whole or part),

"Exit" means a Listing or a Disposal whichever shall first occur.

"Proceeds" means

- (a) in the case of a Listing the price per share (expressed in pounds sterling) at which the equity securities in the Company are proposed to be sold in connection with the Listing (in the case of an offer for sale being the underwritten price (or if applicable, the minimum tender price) and in the case of a placing being the placing price) in each case multiplied by the number of equity securities in the Company as will be in issue immediately following the Listing (but excluding any equity securities issued by the Company at the time of the Listing to raise new money (for whatever purpose)),
- (b) in the case of a Disposal an amount equal to the total amount available for payment to holders of equity securities as a result of the Disposal by way of dividend, dividend on liquidation or consideration payable in respect of equity securities purchased by the Company inclusive of any associated tax credit

- 3 3 The Members shall do or procure the doing of all necessary acts to ensure that, in the event of an Exit, the Proceeds, or on a return of assets on liquidation reduction of capital or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the holders of the Shares (pari passu as if the same constituted one class of share)

3 4 As regards voting

Ordinary Shares shall confer on each holder thereof (in that capacity) the right to receive notice of and to attend, speak and vote at all general meetings of the Company save in the event (and for so long as) any such Shares are the subject of a Mandatory Transfer Notice (as hereinafter defined) in which case such Shares shall be deemed to be non-voting for all purposes under these Articles

4 Share transfers - general provisions

4.1 In addition to the discretions vested in them pursuant to regulation 24 of Table A, the Directors may refuse to register the transfer of any Share

- (a) to an individual who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval, or
- (b) if they have reasonable grounds for believing that such Share will or may be transferred to or become beneficially owned by a person carrying on business in competition with any business at the relevant time being carried on by a Group Company

4.2 The Directors shall refuse to register the transfer of any Share unless they are satisfied that such transfer is either

- (a) a Permitted Transfer or
- (b) a transfer made in accordance with and permitted under any of articles 5, 7 or 8

4.3 Subject as provided in articles 4.1 and 4.4 or as required by law, the Directors shall register any such transfer as is referred to in paragraph (a) or (b) of article 4.2

4.4 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) or in the event of an allotment of a new Share to a person who is not a Member, then the Directors shall

- (a) require the transferee or allottee of such Share (as the case may be) to enter into a written undertaking (in such form as the Directors may prescribe) to be bound (to the same extent as the transferor or to such other extent as the Directors may reasonably stipulate) by the provisions of such agreement, and
- (b) decline to register the transfer or allotment of such Share unless and until the transferee has entered into such written undertaking

4.5 Subject to articles 4.1, 4.4 and 4.6, a Member shall be permitted to transfer the legal title to and/or beneficial ownership of a Share

- (a) if the Member is a corporation, to any holding or subsidiary company of that Member or to any other subsidiary company of any such Member's holding company, or
- (b) if the Member is a member of the IP Group, to the trustees of an IP2IPO Employees Trust or to any member of the IP Group as nominee or trustee for an employee of the IP Group, or

- (c) if the Member is an academic institution to any fund or any similar investment vehicle in which it or any colleges belonging to it are the majority participants (or to a nominee appointed of such person) or
- (d) to a person who is the beneficial owner of such Share or (in the case of the legal title only) to a different or additional nominee or trustee on behalf of such beneficial owner provided that such person has not become the beneficial owner thereof other than in accordance with the provisions of these Articles, or
- (e) if the Member is a person whose principal business is to make, manage or advise upon share investments (an "Investor") or a fund or partnership managed by an Investor (or a nominee of such a person or any person to whom any of them may have transferred Shares pursuant to this article 4 5(e))
 - (i) to the beneficial owner or owners in respect of which the transferor is a nominee or custodian or any other nominee or custodian for such beneficial owner or owners,
 - (ii) to any unitholder, partner, participant or manager in or of any of the Investors or any fund or partnership managed by an Investor or, in any case a nominee on behalf thereof), or
- (f) with the prior written consent (which may be subject to terms and conditions) of the holders of not less than 90 per cent of the aggregate number of Shares for the relevant time being in issue, or
- (g) pursuant to article 7 or article 8

4 6 No such Permitted Transfer as is referred to in paragraphs (d) or (e) in article 4 5 may be made in respect of or in relation to any Share that for the relevant time being is the subject of any Transfer Notice or Mandatory Transfer Notice

5 Share transfers - pre-emption provisions

5 1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest or right in or arising from a Share (an option warrant or other right to acquire any Share (whether by subscription, conversion or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in this article and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void

5 2 Before transferring or otherwise disposing of any Share or any interest or right in or arising from any Share the person proposing to transfer or otherwise dispose of the same (the "Transferor") shall give notice in writing (a "Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Transferor wishes to dispose. The Transferor shall, contemporaneously with the giving of a Transfer Notice, deliver up and lodge with the Company the share certificate(s) in respect of the relevant Shares

5 3 Notwithstanding that a Transfer Notice specifies that the Transferor wishes to dispose only of an interest or right in or arising from or attaching to the Shares referred to therein the Transfer Notice shall (notwithstanding anything in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Transferor in relation to the sale of all the legal title to beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "Sale Shares") at the Sale Price (as hereinafter referred to) in accordance with the provisions of this article. A Transfer Notice shall not be revocable except with the consent of the Directors

- 5 4 Except in the case of a Transfer Notice which a Member is required to give or is deemed to have given pursuant to article 6 (a "Mandatory Transfer Notice"), a Transfer Notice may include a condition (a "Total Transfer Condition") that if all the Sale Shares (of whatever class) are not sold to Approved Transferees (as hereinafter defined) then none shall be so sold
- 5 5 Except in the case of a Mandatory Transfer Notice the Transfer Notice may state, in addition to details of the Sale Shares
- (a) (if applicable) the name or names of a person or persons (such person or persons being hereinafter referred to as the "Proposing Transferee") to whom the Sale Shares (or an interest or right in or arising therefrom) are proposed to be transferred in the event that the Sale Shares are not acquired by Approved Transferees, and
 - (b) the entire consideration per share for which any such transfer or transfers will be made (and, if any of the said consideration is not a cash price expressed in pounds sterling an amount per share which is so expressed and which is commensurate with the entire consideration) In such event, subject to the Directors being satisfied (and to that end being provided with such evidence as they may reasonably require) that the consideration so stated is a bona fide consideration (not inflated for particular reasons) agreed between the Transferor and the Proposing Transferee at arms' length and in good faith, such consideration shall be the Sale Price and the Prescribed Period (as hereinafter referred to) shall commence on the date on which the Transfer Notice is given and shall expire 60 days thereafter
- 5 6 In the case of a Mandatory Transfer Notice or a Transfer Notice which does not state the further details referred to in article 5 5
- (a) if, not more than 30 days after the date on which the Transfer Notice was given or was deemed to be given (or such longer period (if any) as the Directors may prior to the expiry of such period of 30 days determine to allow for this purpose), the Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Transferor and not more than the fair value thereof then such price shall be the Sale Price and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire 60 days thereafter, or
 - (b) failing such agreement, upon the expiry of 30 days (or such longer period (if any) as aforesaid) after the date on which the Transfer Notice was given or was deemed to be given the Directors shall instruct the auditors for the time being of the Company (the "Auditors") to determine and report to the Directors the sum per Share considered by them to be the fair value of the Sale Shares and the sum per Share so determined and reported shall be the Sale Price and the Prescribed Period shall commence on the date on which the Auditors shall so determine and report and shall expire 60 days thereafter
- 5 7 For the purposes of article 5 6, the auditors for the time being of the Company shall act as experts and not as arbitrators and (save only for manifest error) their determination shall be final and binding upon the Company and all Members The costs and expenses of the auditors in relation to the making of their determination shall be borne by the Company unless the Sale Price as so determined is less than the same as or substantially the same as that (if any) which the Directors had notified to the Transferor as being in their opinion the Sale Price, in which event such costs and expenses shall be borne by the Transferor For the purposes of article 5 6 and this article, the fair value of Sale Shares shall be the market value thereof as at the date when the relevant Transfer Notice or Mandatory Transfer Notice was given or deemed to have been given (as the case may be) as between a willing buyer and a willing seller at arms' length

but with no discount being made by reason of such Shares (if such be the case) constituting a minority holding (and the auditors shall be instructed accordingly)

- 5 8 Subject as provided in article 5 9 Sale Shares shall be offered for sale to all the Members of the Company for the relevant time being holding Shares
- 5 9 The Company shall not be required to and shall not offer any Sale Shares to the Proposing Transferor any Associate of the Proposing Transferor or any person who remains a Member but who has been deemed to have given a Mandatory Transfer Notice on or prior to the date on which any such offer as is referred to in article 5 8 is made In addition if during the period between the date on which any such offer is made and (following the acceptance of such offer by a Member) the sale of Sale Shares to such Member is completed, such Member is deemed to have given a Mandatory Transfer Notice then such Member shall be deemed not to have accepted such offer and the relevant Sale Shares shall be re-offered for sale (at the same Sale Price per share and as if such price had been determined on the date on which the Mandatory Transfer Notice is deemed to have been given)
- 5 10 Any such offer as is required to be made by the Company pursuant to article 5 8 shall limit a time (not being less than 14 days or more than 21 days) after such offer is made within which it must be accepted or, in default will lapse
- 5 11 If, by virtue of the application of the provisions in article 5 10, acceptances are received in respect of an aggregate number of Shares which is in excess of that offered then the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares held by each acceptor provided that no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this article 5 11 shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly
- 5 12 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied Subject thereto, any such offer as is required to be made by the Company pursuant to article 5 8 shall be unconditional
- 5 13 If, prior to the expiry of the Prescribed Period the Company shall, pursuant to the foregoing provisions find Members or Other Nominees ("**Approved Transferees**") to purchase some or (if article 5 12 shall apply) all the Sale Shares it shall forthwith give notice in writing thereof to the Transferor and the Approved Transferees Every such notice shall state the name and address of each of the Approved Transferees and the number of the Sale Shares agreed to be purchased by him and shall specify a place and time and date (not being less than 3 days nor more than 10 days after the date of such notice) at which the sale and purchase shall be completed Upon the giving by the Company of any such notice as aforesaid the Transferor shall be unconditionally bound (subject only to due payment of the Sale Price) to complete the sale of the Sale Shares to which such notice relates in accordance with its terms
- 5 14 If a Transferor shall (save only for the reason that an Approved Transferee does not duly pay the Sale Price) fail duly to transfer (or complete the transfer of) any Sale Shares to an Approved Transferee the Directors shall be entitled to and shall, authorise and instruct some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Transferor and (notwithstanding (if such is the case) that the Transferor has failed to deliver up the relevant share certificate(s)) shall (subject to so receiving the purchase money) cause such Approved Transferee to be registered as the holder of such Shares The transfer and the receipt of the Company for the purchase money shall constitute a good title to the Sale Shares and the receipt shall be a good discharge to the Approved

Transferee, who shall not be bound to see to the application of the purchase money and whose title to the Sale Shares shall not be affected by any irregularity in or invalidity of the proceedings relating to their disposal under this article

5 15

- (a) If the Company shall not, prior to the expiry of the Prescribed Period, find Approved Transferees willing to purchase some or, if the relevant Transfer Notice validly contains a Total Transfer Condition, all the Sale Shares, it shall give notice in writing thereof to the Transferor and the Transferor, at any time thereafter up to the expiration of 90 days from the date of such notice, shall, (subject as provided below) be at liberty to transfer those of the Sale Shares not purchased by Approved Transferees or all the Sale Shares (as the case may be) to the Proposing Transferee or, where the Transfer Notice did not contain details of a Proposing Transferee, to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Transferor to evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate, allowance or indulgent terms whatsoever to the purchaser thereof and, if not so satisfied, may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out in article 6 4(b) in respect of such Shares as shall have been so sold.
- (b) The provisions of the immediately preceding paragraph shall not apply to any Sale Shares which so became by virtue of the holder thereof having been deemed to have given a Mandatory Transfer Notice in respect thereof. In such event, such holder shall not be permitted to transfer all or any of the same as provided in paragraph (a) above (and, accordingly, the provisions in article 5 shall apply if such holder subsequently determines to seek to transfer the same).

- 5 16 Any Share required to be transferred by a Transferor to an Approved Transferee pursuant to this article shall be transferred free from any mortgage, charge, lien, option or other encumbrance and with the benefit of all rights and entitlements attaching thereto and if, in determining the Sale Price, there was taken into account any entitlement to any dividend which has been paid prior to the date on which the transfer is registered then the Transferor shall be liable to account to the Approved Transferee for the amount thereof (and the Approved Transferee, when making payment for such Share, may set-off such amount against the Sale Price payable).

6. Share transfers – mandatory transfer notices

- 6 1 If any person shall purport to transfer or otherwise dispose of any Share or any interest in or right arising from any Share otherwise than as permitted under article 4 5 or in accordance with the provisions of article 5, such person and any Associate of such person who is a Member shall, unless and to the extent (if any) that the Directors otherwise determine at the relevant time, be deemed to have given, on the date on which the Directors give notice to such person that they have become aware of the purported transfer or other disposal (or on the date (if any) specified in such notice), a Transfer Notice in respect of all Shares of which such person and any such Associate of such person is then the holder.
- 6 2 If any person becomes entitled to Shares in consequence of the death, bankruptcy or liquidation of a Member then (unless a transfer to such person would be a Permitted Transfer or the Directors determine otherwise at the relevant time) a Transfer Notice shall be deemed to have been given on the date on which the Directors become aware that such entitlement has arisen in respect of all Shares held by the Member and any Associate of such Member.
- 6 3 If a person in whose favour a Permitted Transfer was made pursuant to article 4 5 shall cease to be an Associate of the person by whom such transfer was made then he shall, within seven days

of such cessation give notice in writing to the Company of that fact and unless the Directors determine otherwise at the relevant time there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Shares held by such person (as is first-mentioned in this paragraph) and any Associate of such person

- 6 4 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or may be deemed to have been given under any provision of article 5 or this article the Directors may from time to time require any Member or the personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any person who was, is or may be an Associate of any of the foregoing to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing stipulate that a Mandatory Transfer Notice shall as from the date of such notice (or on such future date as may be specified therein) be deemed to have been given by the holders of those Shares and/or their Associates in respect of all or any of such Shares. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled
- (a) to refuse to register the transfer in question or in case no transfer is in question, to require by notice in writing to the holder(s) of the relevant Shares that a Transfer Notice be given in respect of all such Shares (and such notice may stipulate that if a Transfer Notice is not given within a specified period then upon the expiry of such period a Mandatory Transfer Notice shall be deemed to have been given in respect of all the relevant Shares) and/or
 - (b) to give to the holder(s) of the Shares in question a notice (a **Disenfranchisement Notice**) stating that such Shares shall as from the date of such notice no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution until such time as the Directors shall think fit and as from such date, such Shares shall no longer confer any such rights accordingly
- 6 5 A Director shall be regarded as having an interest which is material and which conflicts with the interests of the Company in (and accordingly shall not be entitled to vote in relation to) any matter which requires to be determined or otherwise decided upon by the Directors pursuant to or for the purposes of articles 4 or 5 or this article to the extent such matter relates to any Shares held by such Director or any Associate of such Director or in which such Director is otherwise interested
- 6 6 In any case where a Mandatory Transfer Notice has been deemed to have been given by a Member such Member shall upon demand by the Company deliver up to and lodge with the Company, the share certificate(s) in respect of the relevant Shares or, if they shall have been lost, an indemnity in respect thereof in the form reasonably acceptable to the Directors
- 7. Drag-along rights**
- 7 1 If any one or more Members (together the "Selling Shareholders") wish to transfer any Shares which would result in a Special Change of Control the Selling Shareholders or after such a transfer by the Selling Shareholders of their Shares to the Acquirer the Acquirer shall have the option (the "Drag Along Option") to require all the other holders of Shares to transfer all their Shares to the Acquirer or as the Acquirer shall direct in accordance with this article 7

- 7.2 The Selling Shareholders or the Acquirer may exercise the Drag Along Option by giving notice (a "Drag Along Notice") to all such other Members (the "Called Shareholders") at any time up to 28 days after the Selling Shareholders have agreed to transfer the Shares held by them giving rise to the Special Change of Control. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to article 7.1, at the price at which the Called Shares are to be transferred (calculated in accordance with article 7.4) and the proposed date of transfer.
- 7.3 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if the Drag Along Notice is given before the transfer of Shares resulting in the Special Change of Control and for any reason there is not a Special Change of Control caused by a transfer of Shares by the Selling Shareholders to the Acquirer within 6 months of the date of the Drag Along Notice.
- 7.4 The Called Shareholders shall be obliged to sell the Called Shares at the highest price per Share at which the relevant transfer of Shares referred to in article 7.1 takes place or took place ("Transfer Price").
- 7.5 Completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Selling Shareholders or the Acquirer (except that unless all of the Called Shareholders, the Selling Shareholders and the Acquirer agree otherwise)
- (a) such person may not specify a date that is less than 14 days after the date of the Drag Along Notice,
 - (b) if the Drag Along Notice is given by the Selling Shareholders the date so specified by the Selling Shareholders shall be the same date as the date proposed for completion of the sale of the Shares giving rise to the Special Change of Control.
- 7.6 If any of the Called Shareholders default in selling its Shares in accordance with this article 7, the Acquirer or, if the Acquirer is a company or body corporate any director of the Acquirer or other person duly nominated by resolution of the directors for that purpose shall forthwith be deemed to be the duly appointed attorney of such Called Shareholder with such power to execute, complete and deliver in the name and on behalf of such Called Shareholder a transfer of the relevant Called Shares and any such director may receive and give a good surcharge of the purchase money on behalf of such Called Shareholder and (subject to the transfer being duly stamped) the Company may enter the name of the third party in the register of members as the holder or holders by transfer of the Called Shares so purchased by him or them. The directors 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 such Called Shareholder until he shall deliver up a certificate or certificates for the relevant shares to the Company and he shall thereupon be paid by the purchase money.
- 8 Tag-along rights**
- 8.1 Notwithstanding any other provision in these Articles no sale or transfer or other disposition of any interest in any Share shall have any effect if it would result in a Majority Change of Control unless before the transfer is lodged for registration the Acquirer has made a bona fide offer in accordance with this article 8 to purchase at the Transfer Price in relation to the Share mentioned above all the Shares held by the Members (except any Member which has expressly waived its right to receive such an offer for the purpose of this article 8).
- 8.2 An offer made under article 8.1 shall be in writing and be open for acceptance for at least 21 days and shall be deemed to have been rejected by any Shareholder who has not accepted it in accordance with its terms within such period.

- 8 3 The Acquirer shall complete the purchase of all Shares in respect of which an offer under this article 8 is accepted at the same time as he completes the purchase of the Shares whose proposed purchase gave rise to such offer. The acceptance by any Member of such offer shall not require the accepting Member to give a transfer notice in accordance with article 5

9. **Lien**

- 9 1 The Company shall have a first and paramount lien on every Share (whether or not a fully paid Share) for all moneys (whether presently payable or not) payable or otherwise owing by the holder of such Share (or any Associate of such holder) to the Company or any other Group Company. The Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this regulation. The Company's lien on a Share shall extend generally as aforesaid as well as to any amount payable in respect of it

- 9 2 The Company may sell any Shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after a second or subsequent notice in writing of the same has been given to the holder of the Share or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold. The provisions of article 5 shall apply to any sale of Shares made by the Company pursuant to this article (on the basis that a Mandatory Transfer Notice shall be deemed to have been given upon the expiry of such period of 14 clear days as is above referred to)

10 **Forfeiture**

The provisions of article 5 shall apply in relation to any proposed sale re allotment or other disposal of a Share pursuant to Regulation 20 of Table A (on the basis that a Mandatory Transfer Notice in respect of such Share shall be deemed to be given on such date as the Directors determine for this purpose)

11 **Appointment and retirement of Directors**

- 11 1 The Directors shall have power at any time and from time to time, to appoint any person (willing to act) to be a Director either to fill a casual vacancy or as an additional Director
- 11 2 The Company may by ordinary resolution appoint a person (willing to act) to be a Director either to fill a vacancy or as an additional Director
- 11 3 No Director shall be required to vacate his office as a Director, nor shall any person be ineligible for appointment as a Director by reason of his having attained any particular age

12. **Proceedings of Directors**

The Directors or a committee of the Directors may hold meetings by telephone either by conference telephone connection(s) or by a series of telephone conversations or by exchange or facsimile transmissions addressed to the chairman. The views of the Directors, or a committee of the Directors, as ascertained by such telephone conversations or facsimile transmissions and communicated to the chairman shall be treated as votes in favour of or against a particular resolution (as appropriate). A resolution passed at any meeting held in this manner and signed by the chairman shall be as valid and effectual as if it had been passed at a meeting of the Directors (or, as the case may be, of that committee) duly convened and held. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or if there is no such group where the chairman of the meeting is then present

13 Indemnity

13 1 Subject to, and to the extent not avoided by the Act but without prejudice to any indemnity to which he may otherwise be entitled

13 1 1 any person who is or was at any time a director, secretary or other officer (unless the office is or was as auditor) of the Company or of any of its group undertakings may be indemnified out of the assets of the Company to whatever extent the Directors may determine against any costs charges expenses, losses and liabilities sustained or incurred by him in the actual or purported execution of his duties or in the exercise or purported exercise of his powers or otherwise in connection with his office, whether or not sustained or incurred in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or the relevant group undertaking,

13 1 2 the Directors shall have power to provide funds to meet any expenditure incurred or to be incurred by any person who is or was at any time a Director, secretary or other officer of the Company other than an auditor in defending any criminal or civil proceeding in which he is involved by reason of his office, or in connection with any application under the Act, or in order to enable him to avoid incurring such expenditure, and

13 1 3 every auditor of the Company may be indemnified out of the assets of the Company to whatever extent the Directors may determine against 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 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 Company

13 2 The Directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company or of any of its group undertakings indemnifying such person against any liability which may attach to him, and any loss or expenditure which he may incur in relation to anything actually or allegedly done or omitted to be done by him as a director, officer or employee, whether or not it involves any negligence default breach of duty or breach of trust by him in relation to the Company or the relevant group undertaking

13 3 Subject to the provisions of the Act, a Director shall (in the absence of some other material interest as is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors provided that for the purposes of this article 13 3 insurance shall mean only insurance against the costs charges expenses, losses and liabilities incurred by a Director as are referred to in article 13 2 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors

14. Subsidiaries

The Company shall procure that each other Group Company shall comply with those provisions of these Articles which are expressed to apply to a Group Company and that no Group Company shall do or permit to be done any act matter or thing which if it were done or permitted to be done by the Company would constitute a breach by the Company of any provision of these Articles or would require any consent, approval or sanction under these Articles, unless in such latter case such consent approval or sanction has first been obtained