

PRIVATE COMPANY LIMITED BY SHARES

COPY WRITTEN RESOLUTIONS

of

REAQUA SYSTEMS LIMITED (the "Company")

(Registered in England and Wales under company number 06832970)

Passed on **31ST MARCH** 2014

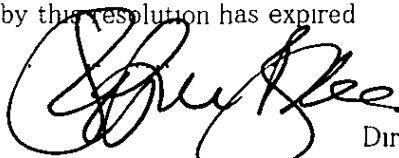
In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2006 (2006 Act) the following resolutions were duly passed on **31ST MARCH** 2014 as ordinary or special resolutions as detailed below

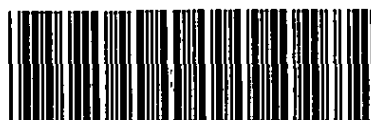
Ordinary Resolutions

- 1 THAT the draft rules of the Reaqua Systems Limited 2014 Share Option Plan be approved and adopted by the Company

Special Resolutions

- 2 THAT the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association
- 3 THAT pursuant to section 551 of the 2006 Act, the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot B preferred shares of £0.10 each in the capital of the Company, up to an aggregate nominal amount of £122.40 provided that (unless previously revoked, varied or renewed) this authority shall expire on the fifth anniversary of the date of the passing of this resolution, save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted after this authority expires and the directors may allot shares pursuant to any such offer or agreement as if this authority had not expired. This authority is in addition to all existing authorities under section 551 of the 2006 Act
- 4 THAT in accordance with section 570 of the 2006 Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 3, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall expire on the fifth anniversary of the date of passing of this resolution (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired


Director



A35699FM

A33

05/04/2014

#209

COMPANIES HOUSE

THE COMPANIES ACTS
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
REQUA SYSTEMS LIMITED
(Company No 06832970)

1. PRELIMINARY

1.1 In these articles of association, the following expressions shall have the following meanings -

"Act"	means the Companies Act 2006, and any statutory modification or re-enactment of it for the time being in force,
"Acting in Concert"	has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended),
"Anti-Dilution Shares"	has the meaning given in Article 6.1,
"A Ordinary Share"	means an A ordinary share of £0.01 in the Company,
"A Ordinary Shareholder"	means a Shareholder who holds A Ordinary Shares,
"Articles"	means these articles of association,
"Asset Sale"	means the disposal by the Company of all, or a substantial part of, its business and assets
"Auditors"	means the auditors from time to time of the Company (or, in the event of no auditors being appointed to the Company at any time, shall mean such firm of accountants as has been appointed by the Company to prepare its annual accounts and financial statements from time to time),
"Bad Leaver"	means a Leaver who is not classified as a Good Leaver,

"Bonus Issue" "Reorganisation"	or means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Investors) or any consolidation or sub-division or any repurchase or redemption of shares (other than Shares held by Investors) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 4 5,
"B Preferred Share"	means a B preferred share of £0 10 in the Company,
"B Preferred Shareholder"	means a Shareholder who holds B Preferred Shares,
"Call"	shall have the meaning as defined in Article 8 1,
"Call Notice"	means the notice defined in Article 8 1,
"Call Payment Date"	means the notice defined in Article 8 10 1,
"Company"	means Reaqua Systems Limited (formerly Waterevolution Limited) (company number 06832970),
"Controlling Interest"	in relation to a person means the ownership by that person (either alone or together with any person who is a connected person of his) of shares carrying the right to more than 50% of the total number of votes which may be cast on a poll at a general meeting of the company in question,
"Conversion Shares"	means B Preferred Shares and/or Senior Shares issued by the Company pursuant to the terms of the Loan Note Instruments,
"EEF"	means Environmental Energies Fund LP, a Scottish limited partnership established under the Limited Partnerships Act 1907 with registered number SL010000 and having its principal place of business at 17 Blythswood Square, Glasgow G2 4AD,
"EEF Permitted Transferee"	means
(i)	in relation to EEF and any EEF Permitted Transferee which is an Investment Fund, any Member of the same Fund Group,
(ii)	in relation to any EEF Permitted Transferee which is an undertaking (as defined in section 1161(1) of the Companies Act 2006), any Member of the same Group,
"Excluded Shares"	means any Ordinary Shares arising out of the exercise of options granted in accordance with 9 2 2 to 9 2 4 of the Investment Agreement,

"Exercising Investor"	has the meaning set out in Article 6 1,
"Family Member"	means in relation to any Shareholder (being an individual), the Shareholder's spouse or civil partner (as defined in the Civil Partnership Act 2004) for the time being, parent or brother or sister, and all lineal descendants of that Shareholder (including for this purpose any step-child, adopted child or illegitimate child of the Shareholder or his lineal descendants) or any person who for the time being is married to any such lineal descendant but no lineal descendant may be a Family Member whilst a minor,
"First Supplemental Investment Agreement"	means the supplemental subscription and shareholders' agreement between the Company, the Investors and others dated 24 May 2013 as the same may be amended, varied or supplemented from time to time,
"Forfeiture Notice"	means the notice defined under Article 8 9 1,
"Fund Manager"	means, in relation to an Investment Fund, a person whose principal business is to make, manage or advise upon investments in securities and who manages the business of that Investment Fund,
"Good Leaver"	<p>means a Leaver where he is a leaver by reason of</p> <p>(a) permanent incapacity due to ill health, or disability in each case confirmed by medical advice which the board of directors (including the Investor Directors) considers acceptable and renders the Leaver, in the opinion of the board of directors, incapable of exercising his position of employment or directorship,</p> <p>(b) death,</p> <p>(c) ceasing to be an employee, director and/or consultant of the Company by virtue of retirement in accordance with his contract of employment or contract for services (as appropriate);</p> <p>(d) ceasing to be an employee, director and/or consultant of the Company as a result of termination by the Company for reasons other than the employee, consultant or director being guilty of fraud, dishonesty, gross negligence or material breach of his contract of employment, consultancy or service, as appropriate or any other material agreement with the Company, or</p> <p>(e) his being deemed a Good Leaver by the Investors</p>
"Initial Loan Note Instrument"	means the loan note instrument constituting the Initial Loan Notes originally dated 30 May 2012 and amended on 13 June 2013 as further amended from time to time,

"Initial Loan Notes"	means the £2,860,000 secured convertible deep discount loan notes 2016 of the Company constituted by the Initial Loan Note Instrument,
"Investment Agreement"	means the subscription and shareholders' agreement between the Company, the Investors and others dated 30 May 2012 as the same may be amended, varied or supplemented from time to time,
"Investment Documentation"	means each of the Investment Agreement, the First Supplemental Investment Agreement, the Second Supplemental Investment Agreement or any of them,
"Investment Fund"	means a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager, and includes EEF,
"Investor Director Consent"	means the consent in writing of each Investor Director or, in the event that an Investor has not appointed an Investor Director, the consent in writing of such Investor,
"Investors"	means SE and EEF,
"Investor Director"	means a director appointed by either of the Investors,
"IPO"	means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),
"Leaver"	has the meaning given in Article 12 4,
"Lien"	means the lien as defined in Article 7 1,
"Lien Enforcement Notice"	means the notice as defined as Article 7 4,
"Loan Agreement"	means the loan agreement between the Company as borrower and EEF (previously with SSE Venture Capital Limited as lender) and SE as lenders dated 23 February 2011 (as amended on 12 August 2011, 17 November 2011 and 21 December 2011 and 13 June 2013) as amended or varied from time to time,
"Loan Note Instruments"	means the Initial Loan Note Instrument and the Priority Loan Note Instrument and "Loan Note Instrument" shall mean either of them,
"Loan Notes"	means Initial Loan Notes and the Priority Loan Notes or either of them;

"Member of the same Group" means, as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking,

"Member of the same Fund Group" means, as regards an Investment Fund:

- (i) any participant or partner in, or member of, such Investment Fund or the holders of any unit trust which is a participant or partner in, or member of, that Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (ii) any Investment Fund managed by the Fund Manager,
- (iii) any Parent Undertaking or Subsidiary Undertaking of the Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of the Fund Manager, or
- (iv) any trustee, nominee or custodian for the Investment Fund

"Model Articles" means those articles contained in schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended,

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date of adoption of these Articles (other than shares or securities issued pursuant to the Investment Documentation or Article 6 or the issue of any Conversion Shares or Option Shares)

"Option Shares" means Ordinary Shares issued pursuant to the exercise of any Permitted Options,

"Ordinary Share" means an ordinary share of £0.01 in the Company,

"Ordinary Shareholder" means a Shareholder who holds Ordinary Shares,

"Permitted Transferee" means any person to whom Shares may be transferred pursuant to Article 12.5,

"Permitted Options" means options over Ordinary Shares granted by the Company under a share option plan which has received the consent of the Investor Majority (as defined in the Investment Agreement) pursuant to the terms of the Second Supplemental Investment Agreement and the grant of which is in accordance with the Investment Documentation,

"Priority Loan Note Instrument" means the loan note instrument constituting the Priority Loan Notes dated on or around the date of adoption of these Articles as amended from time to time,

"Priority Loan Notes"	means the £1,027,000 priority secured convertible deep discount loan notes 2016 of the Company constituted by the Priority Loan Note Instrument,
"Qualifying Shares"	has the meaning set out in Article 6 1,
"Relevant Rate"	means the interest rate as defined in Article 8 10 2,
"SE"	means Scottish Enterprise, established by the Enterprise and New Towns (Scotland) Act 1990 and having its principle place of business at Atrium Court, 50 Waterloo Street, Glasgow G2 6HQ,
"SE Group"	means SE, any subsidiary for the time being of SE and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of SE or any subsidiary of such company, corporation or other body and any other body to which the statutory functions of SE have been delegated or an SE Successor and the expression a "member of the SE Group" shall be construed accordingly,
"Second Supplemental Investment Agreement"	means the supplemental subscription and shareholders' agreement between the Company, the Investors and others dated on or around the date of adoption of these Articles as the same may be amended, varied or supplemented from time to time,
"Senior Shares"	has the meaning given in the Loan Note Instruments,
"SE Successor"	means any party succeeding in whole or in part to the interest of SE,
"Share"	means, where the context so admits or requires, a share in the Company,
"Shareholder"	means, where the context so admits or requires, the holder of a Share or Shares in the Company and where the context so admits, shall also include any former Shareholder who has transferred their Shares to a Permitted Transferee pursuant to Article 12 5,
"Share Sale"	means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the buyer of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where the shareholders and the proportion of shares held by each of them following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before the sale,
"Starting Price"	means £840 (if applicable, adjusted as referred to in Article 6 3 to reflect any Bonus Issue or Reorganisations),

"Termination Date"

means

(a) where employment ceases by virtue of notice given by the employer to the employee, the date of that notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination),

(b) where a contract of employment is terminated by the employee by giving notice to the employer, the date of that notice,

(c) where the employee concerned is a director, the earlier of the date upon which he ceases to be a director of the Company and the date upon which any contract for the provision of his services with or to the relevant company is terminated,

(d) where the Shareholder concerned is a contracting party with the Company, the date upon which any contract for the provision of its services to the Company is terminated, or

(e) where Article 12 4(ii) applies, the date upon which the relevant Manager's Service Company (as defined in the Investment Agreement) ceases to have a Controlling Interest in it held by the relevant Manager (as defined in the Investment Agreement) (but in determining whether such a Controlling Interest is so held no account shall be taken of whether the relevant Manager's connected persons hold any interest in the shares in the relevant Manager's Service Company other than in case of Stephen Bates where any shares held by his wife shall be taken into account),

"Transfer Notice"

means a notice in writing from a Shareholder to the Company of that Shareholder's desire (or requirement, pursuant to these Articles or pursuant to a shareholders agreement to which a Shareholder may be subject) to sell or transfer a legal or beneficial interest in Shares in the Company, and

"Transferor"

means any Shareholder who desires (or is required, pursuant to these Articles or pursuant to a shareholders agreement to which a Shareholder may be subject) to sell or transfer any legal or beneficial interest in Shares

1 2 The Model Articles shall apply to the Company save in so far as they are excluded or varied in these Articles, and the regulations in the Model Articles (save as so excluded or varied) and these Articles shall be the regulations of the Company

1 3 References herein to the masculine gender shall include references to the feminine and neuter and vice versa.

1 4 References herein to the singular shall include references to the plural and vice versa

- 1 5 The terms Parent Undertaking and Subsidiary Undertaking have the respective meanings set out in section 1162 of the Act
- 1 6. A person shall be deemed to be connected with another if that person is so connected within the meaning of section 1122 of the Corporation Taxes Act 2010

2. LIABILITY OF MEMBERS / NAME

- 2 1 The name of the Company is "Reaqua Systems Limited"
- 2 2 The registered office of the Company shall be situated in England
- 2 3. The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them

3. SHARE CAPITAL AND VOTING

- 3 1. At the date of adoption of these Articles, the Company has an issued share capital of £7 71 divided into 771 A Ordinary Shares
- 3 2 Subject to the following provisions of this Article 3, each Share shall carry one vote
- 3 3 If (i) there has been, or is likely to be (in the opinion of the Investors, acting reasonably), a breach of the Investment Documentation or these Articles which is not capable of being remedied or where such breach is capable of being remedied and has not been remedied within 30 days of such breach occurring, then (for so long as such breach has not been remedied) or (ii) a corporate entity being a Permitted Transferee pursuant to Article 12 5 3 ceases to be wholly owned by the relevant Shareholder then, for any period during which the relevant Shareholder is not the owner of the entire issued share capital of that company
 - 3 3 1 the Shares held by the Investors shall carry in aggregate 95% of the voting rights in the Company, and
 - 3 3 2 each Investor Director shall be deemed to have ten votes in relation to any resolutions of the board of directors

4. ALLOTMENT OF SHARES

- 4 1. All Shares which the directors propose to issue shall first be offered to the Shareholders on the same terms and at the same price as those Shares are being offered to other persons in proportion as nearly as may be to the number of existing Shares held by them respectively, unless the Company in general meeting shall otherwise direct by special resolution. The offer shall be made by notice specifying the number of Shares offered, the price per Share and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiry of that period, those Shares so deemed to be declined shall be offered in the proportion aforesaid to the Shareholders

who have, within the said period, accepted all the Shares offered to them and indicated their willingness to acquire any such declined shares. Such further offer shall be made in like terms, in the same manner and limited by a like period as the original offer. Any Shares not accepted pursuant to such offer (or further offer), or not capable of being offered except by way of fractions, and any Shares released from the provisions of this Article by any such special resolution, shall be under the control of the directors who may allot, grant options over or otherwise dispose of them to such persons, on such terms, and in such manner as they think fit, provided that (in the case of Shares not accepted), such Shares shall not be disposed of on terms which are more favourable to the subscribers than the terms on which they were offered to the Shareholders.

- 4 2 In accordance with Section 567 of the Act, Sections 561 and 562 of the Act shall not apply to the Company
- 4 3 Shares may be issued as nil, partly or fully paid
- 4 4. In accordance with Section 581 of the Act, the Company may make arrangements on the issue of Shares for a difference between the allottees in the amounts and times of payment of calls on the Shares so allotted
- 4 5 The provisions of Article 4 1 shall not apply in the case of any issue of Shares:
 - 4 5 1 to the Investors in accordance with Article 6,
 - 4 5 2 that are Conversion Shares, or
 - 4 5 3 that are Option Shares

5. LIQUIDATION PREFERENCE

- 5 1 On a return of capital on liquidation or capital reduction or other return or distribution of capital or assets (a "**Return of Capital**"), any capital or assets of the Company remaining after the payment of its liabilities (including, for the avoidance of doubt, repayment/redemption of all sums outstanding in respect of any Loan Notes in issue and under the Loan Agreement) for distribution among the Shareholders shall be applied as follows:
 - 5 1 1 first, in paying to each of the B Preferred Shareholders the amount paid up or credited as paid up (including any premium on issue) on each of its B Preferred Shares together with a sum equal to all unpaid arrears, accruals and deficiencies of any dividend on such B Preferred Shares together with any interest thereon calculated down to and including the date the Return of Capital is made (such arrears, accruals and deficiencies being payable irrespective of whether the relevant dividend has become due and payable in accordance with these Articles),
 - 5 1 2 second, in paying to each of the A Ordinary Shareholders the amount paid up or credited as paid up (including any premium on issue) on each of its A Ordinary Shares together with a sum equal to all unpaid arrears, accruals and deficiencies

of any dividend on such A Ordinary Shares together with any interest thereon calculated down to and including the date the Return of Capital is made (such arrears, accruals and deficiencies being payable irrespective of whether the relevant dividend has become due and payable in accordance with these Articles), and

- 5 1 3 thereafter, in distributing the balance of such capital or assets amongst the Shareholders in proportion to the aggregate number of Shares (irrespective of class) which are held by each Shareholder
- 5 2 Neither the purchase price paid by the Company on a purchase by it of its own Shares nor the monies paid by it to redeem any of its Shares shall be regarded as a return of capital for the purposes of this Article 5
- 5 3 The proceeds of a Share Sale shall be distributed in the order of priority set out in this Article 5 The directors shall not register any transfer of Shares if the proceeds of a Share Sale are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale), provided that, if the proceeds of a Share Sale are not settled in their entirety on completion of the Share Sale
 - 5 3 1 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 this Article 5, and
 - 5 3 2 the Shareholders shall take any action reasonably required by the Investors to ensure that the proceeds of a Share Sale are distributed in the order of priority set out in this Article 5
- 5 4 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities (including, for the avoidance of doubt, repayment/redemption of all sums outstanding in respect of any Loan Notes in issue and under the Loan Agreement) shall be distributed (to the extent that the Company is lawfully able to do so) in the order of priority set out in this Article 5 If it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investors (including (but not limited to) any actions that may be necessary to put the Company into voluntary liquidation so that this Article 5 applies
- 5.5. On an IPO
 - 5 5 1. the Company shall issue to each A Ordinary Shareholder and B Preferred Shareholder such number (if any) of Ordinary Shares such that the proportion which the Shares held by that Shareholder bears to the issued Shares following the completion of all such issues and, if such conversion is required on the IPO, the conversion of all A Ordinary Shares and B Preferred Shares shall be equal to the proportion that the proceeds that Shareholder would have been entitled to receive on a Share Sale on that date would bear to the valuation of the Company at that date (assuming that the valuation of the Company was equal to the Pre-New Money Valuation),
 - 5 5 2 the additional Ordinary Shares shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other

available reserve of the Company as determined by the directors and those additional Ordinary Shares shall be issued at par fully paid. The capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalisation the A Ordinary Shareholders and B Preferred Shareholders shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to Article 5.5.1. To the extent that there is insufficient share capital to effect the said issue the Directors shall procure (so far as they are able) that the Company's share capital is increased to the extent necessary to permit the issue required and all Shareholders shall vote in favour of the necessary resolutions to effect the increase,

- 5.5.3 the Company shall issue at par to each A Ordinary Shareholder and B Preferred Shareholder that number (if any) of Ordinary Shares credited as fully paid, which, at the offer/placing price on IPO have an aggregate value equal to any arrears of dividend in respect of the A Ordinary Shares or B Preferred Shares

6. ANTI-DILUTION

- 6.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, offer (such offer, unless waived, to remain open for acceptance for not less than 15 Business Days) to each holder of B Preferred Shares (the "**Exercising Investor**") the right to receive a number of new B Preferred Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 6.3 (the "**Anti-Dilution Shares**")

$$6.1.1 \quad N = \left(\frac{W}{WA} \right) - Z, \text{ and/or}$$

- 6.1.2 to the extent that the Exercising Investor is required to subscribe in cash for any Anti-Dilution Shares in accordance with Article 6.2.2, the following equation shall apply

$$N = \frac{(W - (WA \times Z))}{WA - V}$$

Where

N = the number of Anti-Dilution Shares,

V = the nominal value of each Anti-Dilution Share,

WA = the weighted average price per share held by the Exercising Investor as calculated by the following formula

$$WA + \frac{(W + M)}{Z + \left(\frac{M}{X}\right)}$$

W = the total amount subscribed (whether in cash or by way of conversion of loan) by the Exercising Investor for B Preferred Shares prior to the Qualifying Issue,

X = the price (if any) at which each New Security is to be issued pursuant to a Qualifying Issue;

Z = the number of B Preferred Shares subscribed by the Exercising Investor prior to the Qualifying Issue, and

M = the aggregate of amounts to be paid in respect of the New Securities issued pursuant to the issue of New Securities and any amounts paid in respect of all previous issues of New Securities (if any)

6.2 The Anti-Dilution Shares shall

6.2.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investor shall agree otherwise, in which event the Exercising Investor shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investor Director). In the event of any dispute between the Company and any the Exercising Investor as to the effect of Article 6.1, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor, and

6.2.2 subject to the payment of any cash payable pursuant to Article 6.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing B Preferred Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 6.2.1

6.3 In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the Exercising Investor within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Exercising Investor cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company

7. SHARES

- 7.1. The Company shall have a first and paramount lien on all Shares (whether fully paid or not) standing registered in the name of any Shareholder indebted or under liability to the Company, whether he shall be the sole registered Shareholder or shall be one of two or more joint Shareholders, for all moneys presently payable by him or his estate to the Company (the "**Lien**")
- 7.2 The Lien:-
- 7.2.1 takes priority over any third party's interest in the Shares to which the Lien applies,
- 7.2.2 extends to any dividend or other money payable by the Company in respect of such Shares (and if the Lien is enforced and such Shares are sold by the Company, the proceeds of the sale of such Shares)
- 7.3 The directors may at any time decide that a Share which is, or would otherwise be subject to the Lien shall not be subject to it, either wholly or in part
- 7.4 Subject to the provisions of this Article, if -
- 7.4.1 a notice of the Company's intention to enforce the Lien (the "**Lien Enforcement Notice**") has been sent in respect of any of the Shares, and
- 7.4.2 the Shareholder to whom the Lien Enforcement Notice was sent has failed to comply with it,
- the Company may sell such Shares in such manner as the directors may unanimously (excluding the relevant Shareholder if he shall be a director) decide, subject to compliance with any formalities of transfer required by these Articles (and in particular all rights of pre-emption contained in these Articles) or by law
- 7.5 A Lien Enforcement Notice -
- 7.5.1 may only be sent in respect of Shares if a sum is payable to the Company by the sole registered Shareholder, or one or more joint registered Shareholders, of such Shares and the due date for payment of such sum has passed,
- 7.5.2 must specify the number and class of Shares concerned,
- 7.5.3 must include a demand for payment of the sum payable within 14 days,
- 7.5.4 must be addressed to either the relevant Shareholder or to a person entitled to such Shares by reason of the relevant Shareholder's death, bankruptcy or otherwise, and
- 7.5.5 must state the Company's intention to sell the Shares if the Lien Enforcement Notice is not complied with

- 7 6 If any Shares are sold under this Article 7 by the Company as a result of the failure of a Shareholder to comply with a Lien Enforcement Notice -
- 7 6 1 the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser of the Shares under this Article or a person nominated by such purchaser,
 - 7 6 2 the purchaser of the Shares under this Article is not bound to see to the application of the consideration, and
 - 7 6 3 the purchaser's title is not affected by any invalidity or irregularity of the process leading to a sale under this Article
- 7 7 The net proceeds of any sale under this Article 7 (the net proceeds being the consideration paid for the Shares less, (1) any costs of such sale incurred by the Company, and (2) any other costs incurred by the Company in enforcing the Lien. Such costs under (1) and (2) being retained by the Company out of the gross proceeds of such sale) must be applied as follows.-
- 7 7 1 Firstly, in payment of so much of the sum for which the Lien exists as was payable at the date of the Lien Enforcement Notice; and
 - 7 7 2 The remaining sums shall be made in payment to the relevant Shareholder or other such person entitled to the Shares immediately prior to the sale, but only after the share certificate of such Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost share certificates, and subject to a lien equivalent to the Lien over the Shares before the sale for any sums payable in respect of the Shares after the date of the Lien Enforcement Notice
- 7 8 A statutory declaration by a director or the company secretary that the declarant is a director or company secretary of the Company and that a Share has been sold to satisfy the Lien on a specified date -
- 7 8 1 is conclusive evidence of the facts stated in such declaration, as against all persons claiming to be entitled to the Share, and
 - 7 8 2 subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share
- 7 9 Articles 21 and 24 of the Model Articles shall not apply to the Company

8. CALLS ON SHARES AND FORFEITURES

- 8 1 Subject to these Articles and the terms on which Shares are to be, or have been, allotted, the directors may send a notice (the "**Call Notice**") to a Shareholder requiring that Shareholder to pay a specified sum of money (the "**Call**") which is payable in respect of Shares which that Shareholder holds at the date when the directors decide to send the Call Notice.

8 2 A Call Notice -

8 2 1 may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Shares nominal value or any amount payable to the Company by way of a premium),

8 2 2 must state when and how any Call to which it relates is to be paid, and

8 2 3 may permit or require the Call to be paid in instalments

8 3 A Shareholder must comply with the requirements of a Call Notice but no Shareholder is obliged to pay any Call before 14 days have elapsed since the Call Notice was issued.

8 4 Before the Company has received any Call due under a Call Notice the directors may -

8 4 1 revoke the Call Notice wholly or in part, or

8 4 2 specify a later time for payment than is specified in the Call Notice by a further notice in writing to the Shareholder in respect of whose Shares the Call was made

8 5 No liability to pay a Call is transferred or extinguished by transferring the Shares in respect of which the Call is required to be paid

8 6 Joint holders of a Share are jointly and severally liable to pay all costs in respect of that Share

8 7 A Call Notice need not be issued in respect of sums which are specified within the terms and conditions on which a Share is allotted as being payable to the Company in respect of that Share (whether in respect of a nominal value or a premium).-

8 7 1 on allotment,

8 7 2 on the occurrence of a particular event, or

8 7 3 on a date fixed by or in accordance with the terms and conditions of allotment

8 8 If the due date for payment of a sum due under Article 8 7 has passed and it has not been paid, the relevant Shareholder shall be treated, in all respects, as having failed to comply with a Call Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture as if he had failed to comply with such a Call Notice

8 9 If a Shareholder is liable to pay a Call and fails to do so by the Call Payment Date -

8.9 1 the directors may send a notice of forfeiture (the "**Forfeiture Notice**") to that Shareholder, and

8 9 2 until the Call is paid, that Shareholder must pay to the Company, interest on any amounts due in relation to the Call from the Call Payment Date at the Relevant Rate until payment is received in full by the Company

8 10 For the purposes of this Article 8 -

8 10 1 the "**Call Payment Date**" means the date on which a Call Notice says that a Call is payable, unless the directors issue a notice specifying a later date,

8 10 2 the "**Relevant Rate**" means the interest rate fixed by the terms on which the Shares in respect of which the Call is due were allotted or, if no such interest rate exists, the interest rate of five percent per annum above the base rate of the Bank of England as set from time to time,

8 10 3 the Relevant Rate must not exceed by more than five percentage points the base lending rate set by the Bank of England from time to time, and

8 10 4 the directors may choose to waive any obligation to pay interest on a Call, wholly or in part.

8 11 A Forfeiture Notice:-

8 11 1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice,

8 11 2 must be sent to the relevant Shareholder or to a person entitled to the relevant Shareholder's Shares, by reason of that Shareholder's death, bankruptcy or otherwise,

8 11 3 must require payment of a Call and any accrued interest by a date which is not less than 14 days after the date of the Forfeiture Notice,

8 11 4 must state how such payment is to be made, and

8 11 5. must state that if the Forfeiture Notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited

8.12 If a Forfeiture Notice is not complied with before the date by which payment is required under the Forfeiture Notice, the directors may decide that any Share in respect of which it was given is forfeited and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and which was not paid before the forfeiture

8 13 Subject to the following provisions of this Article 8 13, the forfeiture of a Share extinguishes -

8 13 1 all interests in that Share, and all claims and demands against the Company in respect of it, and

8 13 2 all other rights and liabilities incidental to the Share as between the Shareholder in whose name the Share is registered and the Company.

8 14. Any Share which is forfeited -

8 14.1. is deemed to have been forfeited when the directors decide unanimously (excluding the relevant Shareholder if he shall also be a director) at a directors' meeting that it is forfeited,

8 14 2 is deemed to be the property of the Company, and

8 14 3 may be disposed of as the directors think fit, always subject to the terms of these Articles (and in particular all rights of pre-emption contained in these Articles) and the provisions of the Act

8 15. If any or all of a Shareholder's Shares have been forfeited -

8 15 1 the Company must send that Shareholder a notice that forfeiture has occurred and record it in the register of members,

8 15 2 that Shareholder ceases to be a Shareholder in respect of those Shares,

8 15 3 that Shareholder must surrender the certificate for the Shares forfeited to the Company for cancellation,

8 15 4 that Shareholder remains liable to the Company for all sums due and payable by that Shareholder at the date of forfeiture in respect of those Shares so forfeited, including any interest (whether accrued before or after the date of forfeiture); and

8 15 5 the directors may waive payment of such sums, wholly or in part, or enforce payment without any allowance for the value of the Shares at the time of forfeiture or any consideration received on their disposal

8.16 At any time before the Company disposes of a forfeited Share, the directors may unanimously decide (excluding the relevant Shareholder if he shall also be a director) to cancel the forfeiture of such Share on such terms as they think fit

8 17 A statutory declaration by a director or the company secretary that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date -

8 17 1. is conclusive evidence of the facts stated in such a declaration as against all persons claiming to be entitled to that Share,

8 17 2 subject to compliance with any formalities of transfer required by these Articles or by law, constitutes a good title to that Share

8 18 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

- 8 19 If the Company sells a forfeited Share, the Shareholder or person who held it prior to its forfeiture is entitled to receive from the Company, the proceeds of such sale, net of any commission, and excluding any amount which -

8 19 1 was, or would have become, payable,

8 19 2. had not when that Share was forfeited, been paid by that person in respect of that Share,

but no interest is payable to such person in respect of such process

- 8 20 A Shareholder may surrender any Share -

8 20 1 in respect of which the directors may issue a forfeiture notice,

8 20 2 which the directors may forfeit, or

8 20 3 which has been forfeited

- 8 21 The directors may accept the proposed surrender of any Share by a Shareholder under Article 8 20

- 8 22 A surrender of a Share under Article 8 20 shall have the same effect as if the surrendered Share had been forfeited

- 8 23 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited

9. CAPITALISATION OF PROFITS

- 9 1 Article 36(4) of the Model Articles shall be deleted and substituted by the following the words -

"A capitalised sum which was appropriated from profits available for distribution may be applied -

(a) in or towards paying up any amounts unpaid on any existing or partly paid shares held by the persons entitled, or

(b) in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct "

- 9 2 Article 36(5) (a) of the Model Articles shall be modified by the deletion of the words, "paragraphs (3) and (4)" and their replacement with words, "Model Article 36(3) of these Model Articles and Article 9 1 of the articles of association of the Company"

10. TRANSMISSION OF SHARES

Nothing in these Articles releases the estate of a deceased Shareholder from any liability in respect of a share solely or jointly held by that Shareholder

11. PURCHASE OF OWN SHARES

Subject always to Part 17 of the Act, the Company shall, in accordance with Section 684 of the Act, have the power to issue Shares which may be or are liable to be redeemed, either at the option of the Shareholders or the Company. The Company shall, in accordance with Section 690 of the Act, have the power to purchase its own Shares, including any redeemable Shares in issue and to make any payment in respect of such redemption or purchase otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of Shares

12. TRANSFER OF SHARES

12.1 The instrument of transfer of a Share shall be signed by or on behalf of the Transferor, and the Transferor shall be deemed to remain the holder of the Share until the name of the Transferee is entered in the register of members (provided that in the case of a partly paid Share the instrument of transfer must also be signed by the Transferee). Article 26 of the Model Articles shall not apply

12.2 The directors shall refuse to register any transfer of Shares made in contravention of the provisions of Article 12.3, but they shall not refuse to register any transfer to which the consent in writing of all the Shareholders (for the time being) is given or any transfer of Shares made in accordance with Articles 12.5, 28, 29 or 30. For the purposes of ensuring that Shares are transferred in accordance with the provisions of these Articles, the directors may at any time require any Shareholder or any person named as a transferor or transferee under any transfer lodged for registration to furnish the Company with such information and evidence that they may desire regarding any matter they deem relevant to such purpose. The directors may refuse to register any transfer pending receipt of any information or evidence so requested

12.3 Subject (and without prejudice to) Article 12.2, the following provisions shall have effect in relation to the transfer and the transmission of Shares, namely -

12.3.1 the Transferor shall give a Transfer Notice to the Company (accompanied by the relevant Share certificate) stating the number of Shares ("**Sale Shares**") which he desires (or is required) to sell or transfer. A Transfer Notice may not relate to more than one class of Share and it shall not be revocable except with the sanction of the directors

12.3.2 A Transfer Notice shall constitute the directors as the Transferor's agents for the sale or transfer pursuant to this Article of the Sale Shares, at a price (the "**Sale Price**") to be agreed between the Transferor and the directors (excluding the Transferor if he shall be a director) and, failing such agreement within 30 days of the date of the Transfer Notice, the Sale Price shall be a price which the Auditors (or at the discretion of the Auditors or in the event that the office of Auditor is vacant, a person appointed by the president for the time being of the Institute of Chartered Accountants in England and Wales or its successors) ("**Relevant**

Accountants") shall certify in writing to be in their opinion the fair selling value of the Sale Shares as between a willing vendor and a willing purchaser, selling at arm's length by private treaty for cash payable on completion, and in so certifying, the Relevant Accountants shall be considered to be acting as experts and not as arbiters. Where (i) the fair selling value is determined by the Relevant Accountants, and (ii) the Transferor is seeking to (or is required to) sell or transfer all of his Shares, the Relevant Accountants shall, when ascertaining the value of each of the Sale Shares, value each such Sale Share without discounting or enhancing such value by reference to the number of Shares referred to in the Transfer Notice. The decision of the Relevant Accountants as to the Sale Price shall be conclusive and final, and binding on the Shareholders save in case of manifest error.

- 12 3 3 If the Relevant Accountants are asked to certify the fair selling value of the Sale Shares, as soon as the directors receive the Relevant Accountants' certificate, the directors shall furnish a certified copy of it to the Transferor, and the Transferor shall be entitled (save in the case where he is required by any provision of the Articles or by any shareholders agreement to which he may be subject to sell his Shares), by notice in writing given to the Company within 7 days of service on him of the certified copy, to cancel the directors' authority to sell the Sale Shares. The cost of obtaining the certificate shall be borne by the Company unless the Transferor shall cancel the directors' authority, in which case the Transferor shall bear such cost. On receipt from the Transferor of a notice of cancellation the relevant Share certificates in respect of the Sale Shares shall be returned to the Transferor.
- 12 3 4 Within a period of 7 days after the Sale Price is agreed pursuant to Article 12 3 2, or (in the event of the price being determined by the Relevant Accountants) forthwith after the period of 7 days referred to in Article 12 3 3 shall have expired, the directors shall (subject to Articles 12 3 5 and 12 3 6) give notice (an **"Invitation Notice"**) to each of the Shareholders (other than the Transferor) of the number and class of the Sale Shares and the Sale Price, and shall invite such Shareholders (subject to Article 12 3 5 and 12 3 6) to state in writing within 21 days after the date of the Invitation Notice whether they are willing to purchase any Sale Shares. After the expiry of the period of 21 days provided for in this Article, (or, if sooner, upon valid applications being received for all of the Sale Shares from such Shareholders (or any of them)) the directors shall allocate Sale Shares among those Shareholders in accordance with Article 12 3 7. As soon as such allocation has been made, (and provided that such allocation consists of all of the Sale Shares, but not otherwise) the Transferor shall be bound (on payment of the Sale Price) to transfer the Sale Shares to the purchaser or purchasers. If he shall default in so doing when required by this Article, the directors (excluding the Transferor if he shall be a director) shall receive and give good discharge for the purchase money on behalf of the Transferor and shall authorise some person (who shall be deemed to be the attorney of the Transferor for that purpose) to execute and deliver to the purchaser(s) a transfer(s) of the purchased Sale Shares and shall enter his name in the register of members. In the event that any Sale Shares remain to be sold, the Shares in respect of which offers have been received shall be provisionally

allocated but shall not yet be transferred and the remaining Sale Shares shall be dealt with in accordance with Article 12 3 8

- 12 3 5 It shall be a term of any Invitation Notice given pursuant to Article 12 3 4, that if Shareholders holding Shares of more than one class apply for some or all of the Sale Shares, the Sale Shares of a particular class specified in column (1) in the table below will be treated as being available

12 3 5 1 in the first instance to all persons in the category set out in the corresponding line in column (2) in the table below, and

12 3 5 2 to the extent the persons in column (2) are not willing to purchase any of the Sale Shares (whether as part of their Proportionate Entitlement or as Extra Shares), to all persons in the category set out in the corresponding line in column (3) in the table below

(1)	(2)	(3)
Class of Sale Share	First Priority	Second Priority
A Ordinary Shares	Investors	Shareholders other than Investors
B Preferred Shares	Investors	Shareholders other than Investors
Ordinary Shares	Investors	Shareholders other than Investors

- 12 3 6 It will be a further term of the Invitation Notice that, if there is competition within any category of Shareholder set out in column (2) or column (3) in the table in Article 12 3 5 above for the Sale Shares offered to that category, such Sale Shares will be treated as offered among the persons in such category in proportion (as nearly as possible) to their existing holdings of Shares ("**Proportionate Entitlement**") However, the Invitation Notice will also invite Shareholders to indicate in their applications for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many ("**Extra Shares**")

- 12 3 7. The directors will allocate the Sale Shares as follows

12 3 7 1 if the total number of Sale Shares applied for (including Extra Shares) is equal to or less than the available number of Sale Shares, each offeree will be allocated the number applied for in accordance with his application, or

12 3 7 2 if the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which he has applied for, and

12 3 7 3 applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition within any class of shareholder, among those applying for Extra Shares in such proportions as equal (as nearly as possible) the proportions of all the Shares of the same class held by such offerees

12 3 8 If within the period of 21 days provided for by Article 12 3 4, the Shareholders shall have expressed their willingness to purchase part only of the Sale Shares, or shall not have expressed their willingness to purchase any of the Sale Shares, then such remaining Sale Shares shall be offered to the Investors. Such offer shall be made on like terms, in the same manner and limited by a like period as the offer to the Shareholders. If, after the expiry of such further offer period, the Investors have offered to buy all of the remaining Sale Shares (and not already provisionally allocated pursuant to Article 12 3 4), the directors shall allocate such Sale Shares to the Investors, and the Transferor shall be bound to transfer the Sale Shares upon payment of the price, all in the manner set out in Article 12 3 4. If the Transferor shall default in so doing when required by this Article, the directors (excluding the Transferor if he shall be a director) shall receive and give good discharge for the purchase money on behalf of the Transferor and shall authorise some person (who shall be deemed to be the attorney of the Transferor for that purpose) to execute and deliver to the Investors such documentation in relation to the Investors' acquisition of the Sale Shares as the directors may reasonably require.

12 3 9 If within the period of 21 days provided for by Article 12.3 8, the Investors shall have expressed their willingness to purchase part only of the remaining Sale Shares, or shall not have expressed their willingness to purchase any of those Sale Shares, then such remaining Sale Shares shall be offered to the Company. Such offer shall be made on like terms, in the same manner and limited by a like period as the offer to the Investors. If, after the expiry of such further offer period, the Company has offered to buy all of the remaining Sale Shares (and not already provisionally allocated pursuant to Article 12 3 8), the directors shall allocate such Shares to the Company, and the Transferor shall be bound to transfer the Shares upon payment of the price, all in the manner set out in Article 12 3 4. If the Transferor shall default in so doing when required by this Article, the directors (excluding the Transferor if he shall be a director) shall receive and give good discharge for the purchase money on behalf of the Transferor and shall authorise some person (who shall be deemed to be the attorney of the Transferor for that purpose) to execute and deliver to the Company such documentation in relation to the Company's acquisition of the Sale Shares as the directors may reasonably require and the Company shall cancel any shares acquired by it. The Company shall not purchase any Sale Shares in circumstances where such a purchase would be contrary to any provision of the Act or the Model Articles.

12 3 10 If, after the expiry of 21 days after the date of the offer to the Company pursuant to Article 12 3 9, any of the Sale Shares remain to be sold, then the Transferor shall not be obliged to transfer any of those remaining Sale Shares to the Shareholders or to the Investors or to the Company. During the period of three months from the expiry of the 21 day period of the offer to the Company, the

Transferor shall be entitled (subject to the next following sentence) to transfer the remaining Sale Shares to be sold to a person whom the Transferor selects (the "**Residual Transferee**"), at a price not lower than any price fixed pursuant to Article 12 3 2, and on terms no more favourable than those offered in the Transfer Notice. No Shares shall be transferred to the Residual Transferee unless the identity of the Residual Transferee has been approved in writing by a majority of the directors (including the Investor Director(s)) of the Company (excluding the Transferor, if he shall be a director) or the sole director if there shall be only one (such approval not to be unreasonably withheld or a decision unreasonably delayed)

12 3 11 If any person shall become entitled to any Shares as a result of -

12 3 11 1 in the case of a natural person who is a Shareholder of the Company, that person dying, being sequestrated or signing a trust deed for his creditors, or

12 3 11 2 in the case of a legal person who is a Shareholder of the Company, that person having a receiver appointed, having an administration order made against it or going into liquidation (other than a solvent liquidation for the purposes of reconstruction),

such person becoming entitled shall -

12 3 11 3 forthwith give notice in writing to the Company to that effect, and if that person shall fail to give such notice the directors may give the notice on his behalf, and

12 3 11 4 be deemed to have given a Transfer Notice to the Company in respect of all of the Shares to which such person has become entitled and, subject to the following provisions of this Article, all the foregoing provisions of this Article 12 3 in relation to a Transfer Notice and the procedure to be adopted following the service of such a notice shall apply mutatis mutandis to such notice, provided however that there shall be no right pursuant to Article 12 3 3 to cancel the directors' authority to sell any of such Shares

12 3 12 If any Shares to which any person has become entitled as contemplated by Article 12 3 11 shall not be sold pursuant to Article 12 3 11, then after the expiry of the period during which such Shares might have been purchased by a Shareholder or the Company pursuant to Article 12 3 11, such person shall (upon such evidence being produced as may from time to time be required by the directors) have the right to elect either to be registered himself as holder of the Shares in question or to have some person nominated by him registered as the Transferee thereof, but in either case the directors shall have the same right (if any) to refuse or suspend registration as they would have had in the case of a transfer of the Shares by the Shareholder in question before the occurrence of any of the events mentioned in sub-clauses at Articles 12 3 11 and 12 3 11 2. Articles 27 and 28 of the Model Articles shall not apply to the Company

12 3 13 In the event that any person acquires any

12 3 13.1 B Preferred Shares pursuant to the pre-emption provisions of Article 12 3 5 who does not already hold any B Preferred Shares, or

12 3 13 2 A Ordinary Shares pursuant to the pre-emption provisions of Article 12 3 5 who does not already hold any A Ordinary Shares,

then such Shares so acquired shall be deemed, immediately prior to them being registered in the name of such person, to have been automatically re-classified as Ordinary Shares without the requirement for the passing of any resolution of the Company or its members or any class thereof

12 4 If a Shareholder (i) who is an employee, director or consultant (including any such Shareholder which is not a natural person but is an employee, director or consultant or contracting party) of the Company ceases for any reason (including death or bankruptcy or insolvency) to be an employee, director or consultant or contracting party of the Company or (ii) who is one of the Manager's Service Companies (as defined in the Investment Agreement) ceases to have a Controlling Interest in it (but in determining whether such a Controlling Interest is so held no account shall be taken of whether the relevant Manager's connected persons hold any interest in the shares in the relevant Manager's Service Company other than in case of Stephen Bates where any shares held by his wife shall be taken into account) held by the relevant Manager (as defined in the Investment Agreement) (as relevant) (such person being a "**Leaver**"), a Transfer Notice shall be deemed to be given on the Termination Date by the Leaver to the Company in respect of (excluding in each case all Excluded Shares)

12 4 1 all of the Shares held by the Leaver,

12 4 2 all of the Shares which have been transferred by the Leaver in accordance with Article 12.5 (the "**Transferred Shares**"), and

12 4 3 all Shares subsequently acquired by the Leaver and the holders of the Transferred Shares after the Termination Date

(a) by way of rights or bonus issue, conversion, transfer or otherwise, and/or

(b) under any option scheme or other arrangement which was made prior to the Termination Date and in this case the Transfer Notice will be deemed served on the date that such Shares are acquired by the Leaver or his transferees,

and the provisions of Article 12 3 in relation to a Transfer Notice and the procedure to be adopted following the service of such a notice shall apply *mutatis mutandis* to such notice, save that

12 4 4 unless the board of directors (with the approval of the Investor Director(s) then appointed and in office) otherwise resolves, upon a person becoming a Leaver, any Transfer Notice previously issued or deemed issued in relation to his Shares shall immediately be cancelled (unless all the Shares subject to it have already

been sold) and no further Transfer Notice shall be issued or deemed to be issued in respect of such Shares (except under this Article 12 4),

12 4 5 if the Leaver is a Bad Leaver, the price of the Shares in the Transfer Notice shall be the fair selling value of the Shares (as determined in accordance with Article 12 3 2) as at the Termination Date, or, if less, the amount paid up or credited as paid up (including any premium on issue) on the Shares, in each case subject to a maximum price of £1 00 if there has been any fraud or dishonesty by the Bad Leaver (in the opinion of the Investors, acting reasonably), and

12 4 6 if the Leaver is a Good Leaver, the price of the Shares in the Transfer Notice shall be the fair selling value of the Shares (as determined in accordance with Article 12 3 2) as at the Termination Date

12 5 Notwithstanding any other provision of these Articles, a transfer of Shares in the Company -

12 5 1. held by EEF may be made to an EEF Permitted Transferee and that EEF Permitted Transferee may transfer all or any of the Shares transferred to it by EEF to another EEF Permitted Transferee, or

12 5 2 held by SE may be made to a member of SE's Group, or

12 5 3 held by a Shareholder, being a natural person, may be made to a Family Member of that Shareholder or to a company in which the relevant Shareholder (either alone or together with Family Members of that Shareholder) holds all of the issued shares provided the relevant Shareholder holds a Controlling Interest in that company, or

12 5 4 held by a Shareholder, being a company all of whose issued shares are held by a single natural person (or by a single natural person and his or her Family Members), to that person (or those persons) provided that if a Manager's Service Company (as defined in the Investment Agreement) transfers any of its Shares to a Manager (as defined in the Investment Agreement) or to his Permitted Transferees then the provisions of Article 12 4 shall continue to apply *mutatis mutandis* to such Shares as if they were still held by the relevant Manager's Service Company,

without restriction as to price or otherwise and, for the avoidance of doubt, shall not be subject to the pre-emption rights or other restrictions on transfer contained in these Articles or otherwise, and the directors shall be obliged to register any such transfer

12.6 If any person or corporate entity has acquired Shares in accordance with Article 12 5 3:

12 6 1 in the capacity of a Family Member from a Shareholder by way of one or more permitted transfers and that person ceases to be a Family Member of that Shareholder, or

12 6 2 as a company wholly owned by a Shareholder and that company ceases to be wholly owned by the relevant Shareholder and/or that Shareholder's Permitted Transferees,

the Shareholder shall immediately notify the Directors in writing of the change in circumstances and the relevant person or entity (as applicable) being the Permitted Transferee, shall immediately transfer all the Shares then held by that person or entity back to that Shareholder, for such consideration as they agree, within 10 Business Days of the cessation, or, failing such transfer within that period, shall during the remainder of the 15 Business Day period after the cessation, give a Transfer Notice in respect of all of the Shares then held by that person (and all of the provisions of Article 12 3 in relation to a Transfer Notice and the procedure to be adopted following the service of such a notice shall apply mutatis mutandis)

- 12 7 If the persons or entity required to transfer Shares pursuant to Article 12 6 fails to transfer the relevant Shares or give a Transfer Notice within the timescale specified in Article 12 6, then the Directors may elect that either

12 7 1 a Transfer Notice shall be deemed to have been given in respect of any relevant Shares which have not been so transferred, or

12 7 2 a person of their choosing (who shall be deemed to be the attorney of the Permitted Transferee for that purpose) be appointed to execute and deliver to the original Shareholder a transfer of the transferred Shares for no consideration and the Directors shall enter his name in the register of members

- 12 8 If at any time after the adoption of these Articles a person acquires a Controlling Interest in any Shareholder which is a company, unless that person is a Permitted Transferee of the shareholders of that company that company shall be bound at any time, if and when required in writing by the directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of a Shareholder who is a Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice This clause shall not apply to a Shareholder that is an Investor or a Permitted Transferee of an Investor

13. GENERAL MEETINGS AND RESOLUTIONS

- 13 1 A notice convening a general meeting must comply with the provisions of -

13 1 1 Section 311 of the Act as to the provision of information regarding the time, date and place of meeting and the general nature of the business to be dealt with at the meeting, and

13 1 2 Section 325(1) of the Act as to the giving the information to Shareholders regarding their right to appoint proxies

- 13 2 Every notice of, or other communication relating to, any general meeting which any Shareholder is entitled to receive must be sent to each of the directors and to the Auditors for the time being of the Company

- 13 3 Article 44 4 of the Model Articles shall not apply to the Company
- 13 4. Subject to Article 13 5, a written resolution of the Shareholders passed in accordance with Part 13 of the Act is as valid and effectual as a resolution passed at a general meeting of the Company
- 13 5 The following may not be passed as a written resolution and may only be passed at a general meeting of the Company -
 - 13 5 1 A resolution under Section 168 of the Act for the removal of a director before the expiration of his period of office, and
 - 13 5 2 A resolution under Section 510 of the Act for the removal of an auditor before the expiration of his period of office
- 13 6 Subject to Article 13 5, on a written resolution, a Shareholder has one vote in respect of each Share held by him
- 13 7 No Shareholder may vote on a written resolution unless all moneys currently due and payable in respect of any Shares held by him have been paid

14. VOTING AT GENERAL MEETINGS

- 14 1 Subject to Article 14 3 below, on a vote on a resolution at a general meeting on a show of hands -
 - 14 1 1 each Shareholder who, being an individual, is present in person has one vote,
 - 14 1.2. if a Shareholder (whether such Shareholder is an individual or a corporation) appoints one or more proxies to attend the meeting, all proxies to attend the meeting have collectively one vote. In the event that the proxies do not reach agreement as to how their vote should be exercised on a show of hands, the voting power is treated as not exercised, and
 - 14 1.3. if a corporate Shareholder appoints one or more persons to represent it at the meeting, each person so appointed and in attendance at the meeting has, subject to Section 323(4) of the Act, one vote
- 14 2 Subject to Article 14 3 below, on a resolution at a general meeting on a poll, every Shareholder (whether present in person, or by proxy or authorised representative) has one vote in respect of each Share held by him
- 14 3 No Shareholder may vote at any general meeting or any separate meeting of the holders of any class Shares in the Company, either in person, by proxy or, in the event that the Shareholder is a corporate body, by a corporate representative in respect of Shares held by that Shareholder unless all moneys currently due and payable by that Shareholder in respect of any Shares held by that Shareholder have been paid

- 14 4 Article 44(2) of the Model Articles is amended by the deletion of the word "or" in Article 44(2) (c) of the Model Articles, the deletion of the " " after the word "resolution" in Article 44(2)(d) of the Model Articles and its replacement with ", or" and the insertion of a new Article 44(2)(e) of the Model Articles in the following terms -

"by a member or members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right"

- 14 5 A demand for a poll made by a person as a proxy for a Shareholder is the same as an equivalent demand by the Shareholder.
- 14 6 Polls must be taken at the general meeting at which they are demanded and in such manner as the chairman of such meeting directs

15. DELIVERY OF PROXY NOTICES

Article 45(1) of the Model Articles is modified, such that a "proxy notice" (as defined in Article 45(1) of the Model Articles) and any authentication of it demanded by the directors must be received at an address specified by the Company in the proxy notice not less than 48 hours before the time for holding the meeting or adjourned meeting at which the proxy appointed pursuant to the proxy notice proposes to vote. Any proxy notice received at such address less than 48 hours before for holding the meeting or adjourned meeting shall be invalid

16. QUORUM

- 16 1. A *quorum* at any meeting of the Company shall be formed by one or more Shareholders if those Shareholders are the holders of (or have been appointed as proxy in respect of) a total of not less than 51% of the issued voting Shares in the Company

- 16 2 For so long as either Investor shall be a Shareholder, there shall be no quorum at a general meeting unless the relevant Investor(s) shall be present by proxy or by a duly authorised representative

- 16 3 Article 41(1) of the Model Articles is modified by the addition of a second sentence as follows -

"If at the adjourned general meeting, a quorum is not present within half an hour from the time appointed therefor or, alternatively, a quorum ceases to be present, the adjourned meeting shall be dissolved

17. APPOINTMENT OF DIRECTORS

- 17 1 The maximum number and minimum number of the directors (other than the Investor Director(s)) may be determined from time to time by an ordinary resolution at a general meeting of the Company. Subject to (and in default of) any such determination there shall be no maximum number of directors and the minimum number of directors shall be one

(other than the Investor Director(s)) Whenever the minimum number of the directors shall be one, a sole director shall have authority to exercise all the powers and discretions expressed to be vested in the directors generally by the Model Articles, the Act and by these Articles

- 17 2 The Company may (by ordinary resolution in general meeting) appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director
- 17 3 Notwithstanding Article 17 2, each of the Investors shall be entitled at any time and on more than one occasion to appoint any person to be a director (each, an **"Investor Director"**) and at any time and on more than one occasion remove the relevant Investor Director from office and appoint another person in his place. The other Shareholders shall not vote their Shares so as to remove an Investor Director from office
- 17 4 Any appointment or removal of an Investor Director shall be in writing served on the Company signed on behalf of the relevant investor by its duly authorised representative and shall take effect at the time it is served on the Company or produced to a meeting of the Board, whichever is earlier
- 17 5 If an Investor Director is absent from the United Kingdom notice of meetings of the directors shall be served at any address for service of notice indicated in any relevant shareholders' agreement (including the Investment Documentation)
- 17 6 Each Investor shall be entitled to appoint one person to act as an observer to meetings of the directors. The observer(s) shall be entitled to attend and speak at all meetings of directors and to receive copies of all board papers as if he were a director, but shall not be entitled to vote on any resolutions proposed at the board meeting.

18. BORROWING POWERS

The directors may exercise all the powers of the Company to borrow money without limit as to amount, and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into Shares) to Section 549 of the Act to grant any mortgage, charge or standard security over its undertaking, property and any uncalled capital (or any part of them) and to issue debentures, debenture stock, and other securities (whether outright or as security for any debt, liability or obligation of the Company or of any third party).

19. SECRETARY

The directors may appoint a secretary to the Company for such period, remuneration and period as they think fit, and a secretary so appointed by the directors may be removed by them

20. ALTERNATE DIRECTORS

- 20 1 Any director (the "Appointor") may appoint as an alternate any other director, or any person approved by a decision of the directors to.-

- 20 1 1 exercise that director's powers, and
- 20 1 2 carry out that director's responsibilities,
- 20 2. Any appointment of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors. The notice must -
 - 20 2 1 identify the proposed alternate director, and
 - 20 2 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he has agreed to act as the alternate director of the Appointor
- 20 3 An alternate director has the same rights to participate in a directors' meeting or a decision by the directors reached in accordance with Article 8 of the Model Articles as the Appointor
- 20 4 Except as these Articles otherwise specify, alternate directors -
 - 20 4 1 are deemed for all purposes to be directors;
 - 20 4 2 are liable for their own acts or omissions,
 - 20 4 3 are subject to the same restrictions as the Appointor, and
 - 20 4 4 are deemed to be agents of or for the Appointor
- 20 5. An alternate director who is not a director -
 - 20 5 1 may be counted for the purpose of determining whether a quorum is participating (but only if the Appointor is not participating); and
 - 20 5 2 may sign or otherwise signify his agreement in writing to a written resolution in accordance with Article 8 of the Model Articles (but only if the Appointor has not signed or otherwise signified his agreement to such written resolution)
 - 20.5 3. No alternate director may count as more than one director for such purposes
- 20 6 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
- 20.7. Article 20 of the Model Articles is modified by the deletion of each of the references to "director" and their substitution with the words "directors/and or any alternate directors,
- 20 8 An alternate's appointment terminates -
 - 20 8 1 when the Appointor terminates the appointment by way of notice to the Company specifying when the termination is to take effect from;

- 20 8 2 on the occurrence, in relation to the alternate director, of any event such if it occurred in relation to the Appointor would result in the termination of the Appointor's office as a director,
- 20 8 3 on the death of his Appointor,
- 20 8 4. when the Appointor's appointment as a director terminates
- 20 9 A director may act as an alternate director to represent more than one director, and at any meeting of the directors (or of any committee of the directors) an alternate director shall be entitled 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

21. DISQUALIFICATION OF DIRECTORS

- 21 1 In addition to the events terminating a director's appointment set out in Articles 18(a) – (c) and (f) of the Model Articles, a person ceases to be a director as soon as -
 - 21 1 1 that person is, or may be, suffering from mental disorder and -
 - (a) he is admitted into hospital in pursuance of an application for admission for treatment under mental health legislation in force for the time being in any part of the United Kingdom, or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matter concerning mental disorder for his detention, or
 - (c) such mental disorder wholly or partly prevents that person from personally exercising any powers of rights which that person would otherwise have, or
 - 21 1 2 that person has for more than six consecutive months been absent without permission of the directors from meetings of the directors held during that period and the directors make a decision to vacate that person's office, or
 - 21 1 3 if he or she is also an employee of the Company and shall leave that employment at any time and for whatever reason
- 21 2 Articles 18(d) and (e) of the Model Articles shall not apply to the Company

22. GRATUITIES AND PENSIONS

- 22.1 The directors may establish and maintain or procure the establishment and maintenance of any pension superannuation funds or retirement benefit schemes (whether contributory or otherwise), pensions, allowances, emoluments and any other benefits to any persons who are or were at any time in the employment or service of the Company, or who may be or

have been directors or officers of the Company, and the spouses, families and dependents of any such persons

22 2 Article 19 5 of the Model Articles shall not apply to the Company

23. PROCEEDINGS OF DIRECTORS

23 1 Subject to Article 23 2, at any meeting of the directors (or of any committee of the directors) a director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has (directly or indirectly) any kind of interest provided that he has previously disclosed the nature of such interest to the other directors, and if he shall vote on any such resolution his vote shall be counted. In relation to any such resolution he shall (whether or not he shall vote on it) be taken into account in calculating the quorum present at the meeting. However, any director will be required to state any interest they may have in an actual or proposed transaction in compliance with the Act, prior to any business of the meeting being transacted.

23 2 If the directors propose to exercise their power in relation to Section 175 (4)(b) of the Act, to authorise a director's conflict of interest, the director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes.

23 3 Subject to the provisions of the Act and provided that (if required to do so by the Act) he has declared to the directors the nature and extent of any direct or indirect interest in his, a director, notwithstanding his office -

23 3 1 may be a party to, or otherwise interested in, any arrangement or transaction with the Company or in which the Company is otherwise interested,

23 3 2 may be a director or other officer or an employee of, or party to any transaction, or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested, and

23 3 3 is not accountable to the Company for any remuneration of other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest.

23 4. Articles 9(2) and 14 of the Model Articles shall not apply to the Company

24. MEETINGS OF DIRECTORS

24 1 To be quorate, any meeting of directors shall include each Investor Director(s) who is holding office at the beginning of the meeting (or their alternate director(s)).

24 2 Members of the board of directors (or of any committee of it) may participate in a meeting of the board of directors and be counted towards a quorum thereof (or of such committee).

by means of conference telephone, or similar communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such a meeting

- 24 3. Subject to Article 24 2, the board of directors shall meet at least 8 times a year with a period of not more than 8 weeks between any two meetings
- 24 4. Article 8(2) of the Model Articles shall be amended by the deletion of the words "copies of which have been signed by each eligible director" and the substitution of the following "where each eligible director has signed one or more copies of it" in its place. Article 8(2) of the Model Articles shall be construed accordingly

25. COMMUNICATION BY MEANS OF A WEBSITE

- 25.1. Subject to the provisions of the Act, a document or information may be sent or supplied by the Company to a person by being made available on a website
- 25.2. A Shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be sent to him or an address to which notices may be sent by electronic means is entitled to have notices sent to him at that address, but otherwise no such Shareholder is entitled to receive any notices from the Company
- 25 3. If any Share is registered in the name of joint holders, the Company may send notices and all other documents to the joint Shareholder whose name stands first in the register of members in respect of the joint holding and the Company is not required to serve notices or other documents on any of other joint Shareholders
- 25 4. If the Company sends or supplies notices or such other documents by first class post and the Company proves that such notices or other documents were properly addressed, prepaid and posted, the intended recipient is deemed to have received such notices or other documents 48 hours after posting
- 25 5. If the Company sends or supplies notices or other documents by electronic means and the Company proves that such notices or other documents were properly addressed, the intended recipient is deemed to have received such notices or other documents 24 hours after they were sent or supplied.
- 25 6. If the Company sends or supplies notices or other documents by means of a website, the intended recipient is deemed to have received such notices or other documents when such notices or other documents first appeared on the website or, if later, when the intended recipient first received notice of the fact that such notices or other documents were available on the website
- 25 7. For the purposes of Articles 25 4 – 25 6, no account shall be taken of any part of a day that is not a working day

26. COMPANY SEAL

- 26 1 Article 49(1) of the Model Articles is modified, such that any common seal of the Company may be issued by the authority of the directors or any committee of directors
- 26 2 Article 49(3) of the Model Articles is modified by the deletion of all the words which follow the “,” after the word “document” and their replacement with “the document must also be signed by -
 - 26 2 1 one authorised person in the presence of a witness who attests the signature, or
 - 26 2 2 two authorised persons”

27. PROTECTION FROM LIABILITY

- 27.1 Article 52 of the Model Articles shall be amended by the deletion of Article 52(3) (b) and its substitution with the words “a “relevant officer”, means any director, auditor, former director of the company or an associated company”
- 27 2 Article 52(1) of the Model Articles shall be amended by the substitution of each reference to “director” for “relevant officer”
- 27 3 Subject always to Article 52(2) of the Model Articles, all references to “liability” under Article 52(1) of the Model Articles shall include any loss or liability incurred by the relevant officer in defending any proceedings in connection with the Company or otherwise in connection with his duties, powers of office, 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 any Liability, 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 thereto

28. DRAG ALONG RIGHTS

- 28 1 If the Investors, acting unanimously, wish to transfer their interest in their entire holdings of Shares (the “**Investors’ Shares**”) to a bona fide arm’s length purchaser who has offered to acquire the entire issued share capital of the Company (a “**Third Party Purchaser**”) then the Investors shall have the option (the “**Drag Along Option**”) to require each of the other Shareholders (the “**Remaining Shareholders**”) to sell and transfer all of their Shares to the Third Party Purchaser, or as the Third Party Purchaser shall direct, in accordance with the provisions of this Article 28
- 28 2 The Drag Along Option may be exercised by giving written notice to that effect (a “**Drag Along Notice**”) to the Remaining Shareholders at any time before the transfer of the Investors’ Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Remaining Shareholders are required to transfer all (but not some only) of their 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 Article 28 4) and the proposed date of transfer

- 28 3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is no sale of the Investors' Shares to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Investors shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 28 4 The consideration for which the Remaining Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Third Party Purchaser for the entire issued share capital of the Company were distributed amongst all of the Shareholders in accordance with Article 5 3.
- 28 5 Completion of the sale of the Called Shares shall take place on the same date as the date for completion of the sale of the Investors' Shares.
- 28 6 Notwithstanding any other provision of these Articles, any rights of pre-emption contained in these Articles shall not apply to any transfer of the Called 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.
- 28 7 If the Remaining Shareholders, or any of them, shall fail to sign and deliver a valid transfer, or transfers, of any of the Called Shares and which the Remaining Shareholders have become bound to sell pursuant to this Article (any such Remaining Shareholder being a **"Defaulting Shareholder"**), any director of the Company (excluding the Defaulting Shareholder, if the Defaulting Shareholder shall also be a director), or any person nominated by the directors for that purpose (excluding the Defaulting Shareholder), may be deemed by the directors to have been appointed the agent of the Defaulting Shareholder with full power to complete, execute and deliver in the name and on behalf of the Defaulting Shareholder, a transfer, or transfers, of the Called Shares held by the Defaulting Shareholder and to receive payment of the price on the Defaulting Shareholder's behalf, to be held to the Defaulting Shareholder's order and to give a valid receipt and discharge therefor. The directors shall register any transfer granted in pursuance of these powers notwithstanding that the certificate or certificates for the Called Shares held by the Defaulting Shareholder may not be produced with such transfer or transfers and after the name of the Third Party Purchaser (or his nominee) has been entered in the register of members in respect of the Called Shares transferred by or on behalf of the Defaulting Shareholder in exercise of these powers, the validity of the proceedings shall not be questioned by any person.

29. TAG ALONG RIGHTS

- 29 1 The provisions of this Article 29 shall apply in the event of an offer being made to acquire a Controlling Interest in the Company.
- 29 2 If, Shareholders holding a Controlling Interest in the Company (the **"Sellers"**) wish to transfer their interest in their entire holdings of Shares (the **"Sellers' Shares"**) to a bona fide arm's length purchaser (a **"Third Party Purchaser"**), then the remaining Shareholders (the **"Remaining Shareholders"**) shall have the option (the **"Tag Along Option"**) to require the Sellers to procure that the Third Party Purchaser purchases the Remaining Shareholders' Shares in accordance with the provisions of this Article 29. The Sellers shall give written notice (a **"Tag Along Offer"**) to the Remaining Shareholders as soon as

reasonably practicable of the Tag Along Option becoming exercisable, and in any event not less than 14 days prior to the date of sale of the Seller's Shares. The Tag Along Offer shall specify who the Third Party Purchaser is, the price per Share to be paid by the Third Party Purchaser to the Seller in respect of the Seller's Shares and the proposed date of transfer to the Third Party Purchaser.

- 29.3 Tag Along Offers shall be irrevocable but will lapse if for any reason there is no sale of the Sellers' Shares by the Sellers to the Third Party Purchaser within 60 days after the date of service of the Tag Along Offer. The Sellers shall be required to issue a further Tag Along Offer in accordance with Article 29.2 in the event of their wishing to sell their Shares to the Third Party Purchaser (or any other bona fide arm's length purchaser) outwith the said period of 60 days.
- 29.4 The Remaining Shareholders may exercise the Tag Along Option by giving written notice to that effect to the Sellers (a "**Tag Along Notice**") at any time before the date of transfer of the Sellers' Shares to the Third Party Purchaser which shall be a date no sooner than 14 days from the date of receipt by the Remaining Shareholders of the Tag Along Offer. A Tag Along Notice shall specify that the Sellers are required to procure that the Third Party Purchaser purchases all the Shares of the Remaining Shareholders (the "**Called Shares**") pursuant to this Article 29.
- 29.5 The consideration for which the Third Party Purchaser shall be obliged to purchase each of the Called Shares shall be the price per Share to be paid by the Third Party Purchaser for the Sellers' Shares (adjusted to take into account the provisions of Article 5.3) including the value of any non-cash consideration to be paid by the Third Party Purchaser for the Sellers' Shares.
- 29.6 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.
- 29.7 Any rights of pre-emption contained in these Articles shall not apply to any transfer of Shares to a Third Party Purchaser pursuant to a sale in respect of which a Tag Along Notice has been duly served to the extent that the Seller has already complied with the terms of this Article 29 in respect of the proposed sale of Shares which is the subject of the Tag Along Notice.

30. CO-SALE RIGHT

- 30.1 No transfer (other than a Permitted Transfer) of any of the Shares held by any Shareholder (other than the Investors) (a "**Proposed Seller**") may be made or validly registered unless the relevant Proposed Seller (a "**Selling Shareholder**") shall have observed the following procedures of this Article:
- 30.2 After the Selling Shareholder has gone through the pre-emption process set out in Article 12.3, the Selling Shareholder shall give to each Investor not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify:
- 30.2.1 the identity of the proposed purchaser (the "**Buyer**"),

30.2.2 the price per share which the Buyer is proposing to pay,

30.2.3 the manner in which the consideration is to be paid,

30.2.4 the number of Shares which the Selling Shareholder proposes to sell, and

30.2.5 the address where the counter-notice should be sent

- 30.3 Each Investor shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Investor wishes to sell. The maximum number of shares which an Investor can sell under this procedure shall be

$$\frac{X}{Y} \times Z$$

where

X is the number of Shares held by the Investor,

Y is the total number of Shares in issue, and

Z is the number of Shares the Selling Shareholder proposes to sell

- 30.4 Any Investor who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Shares

- 30.5 Following the expiry of five Business Days from the date the Investors receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Investors a number of Shares not exceeding the number specified in the Co-Sale Notice less any Shares which the Investors have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Investors the number of Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer

- 30.6 No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice

- 30.7 Sales made in accordance with this Article 30 shall not be subject to Article 12.2

31. VARIATION OF RIGHTS

- 31.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued

shares of that class save that the special rights attaching to the A Ordinary Shares and the B Preferred Shares may only be varied or abrogated with Investor Director Consent

31 2 Without prejudice to the generality of Article 31 1, the special rights attaching to the A Ordinary Shares and the B Preferred Shares shall be deemed to be varied by the occurrence of the following events.

31 2 1 the amendment or repeal of any provision of, or addition of any provision to the Articles,

31 2 2 the alteration of the authorised or issued share capital of the Company or creation of any securities other than as referred to in Article 4 5,

31 2 3 the reduction of the amount standing to the credit of the share premium account or capital redemption reserve other than as expressly provided for in these Articles,

31 2 4 the approval of any merger, liquidation, dissolution or acquisition of the Company or sale of all or a substantial part of the business, undertaking or assets of the Company,

31 2 5 the purchase by the Company of any Ordinary Shares,

31 2 6 the acquisition of any shares or other securities,

31 2 7 the making of any bonus issue of shares or debenture stock,

31 2 8 the entering into of a voluntary winding-up,

31 2 9 the transferring of any profits to reserves or otherwise (save in the ordinary course of business) and the taking of any action (excluding payment of dividends) which will raise or may reduce the amount of the profits of the Company available for distribution,

31.2 10 any Subsidiary doing any of the events described in the foregoing sub-paragraphs above,

31 2 11 the Company or any Subsidiary incurring any obligation to do any of the events described in the foregoing sub-paragraphs above

31 3 The creation of a new class of Shares which has preferential rights to one or more existing classes of Shares shall not, except as provided in Article 31 2, constitute a variation of the rights of those existing classes of Shares