

Company number: 07123411

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

Biomass Future Generation Limited (the "Company")

24 Feb. 2010

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the sole director of the Company proposes that resolutions 1 and 2 below are passed as ordinary resolutions and resolution 3 below is passed as a special resolution (the "Resolutions"):

ORDINARY RESOLUTIONS

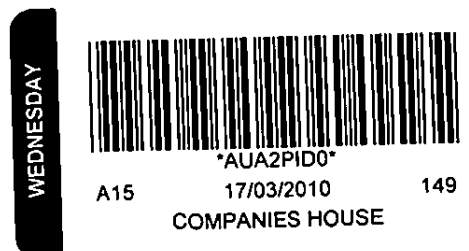
- 1 That, in accordance with section 551 of the Companies Act 2006, the Company's directors be generally and unconditionally authorised to allot and issue shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £2,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired
- 2 That the sole issued ordinary £1 00 share in the Company be and hereby is subdivided into 1,000 ordinary shares of 0 1p (one tenth of a penny) each.

SPECIAL RESOLUTION

- 3 That the draft articles of association in the form attached to this resolution be and hereby are approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company

AGREEMENT

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



The undersigned, being the sole person entitled to vote on the Resolutions on the date set out at the beginning of this document, hereby irrevocably agrees to the Resolutions

 Date 24 Feb 2010

Christopher Barclay Broadbent

NOTES

1. You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods.

- **By Hand** delivering the signed copy to 33 London Road, Southborough, Tunbridge Wells, Kent TN4 0PB
- **Post:** returning the signed copy by post to 33 London Road, Southborough, Tunbridge Wells, Kent TN4 0PB

If you do not agree to all of the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply

2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement

3 Unless, by 5.30 p.m. on the 28th day following the date set out at the beginning of this document, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date

4 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

Articles of Association

In relation to BIOMASS FUTURE GENERATION LIMITED

Adopted on

24 February

2010

C.B.B

Companies Act 2006
Private Company Limited by Shares
ARTICLES OF ASSOCIATION
OF
BIOMASS FUTURE GENERATION LIMITED

Registered Company Number 07123411

Adopted by written resolution on 24 Feb. 2010

1. INTRODUCTION AND DEFINITIONS

- 1.1 The regulations in Table A shall apply to the Company unless they are excluded or varied by, or are inconsistent with these Articles. Subject to that, those regulations and these Articles are together the regulations of the Company
- 1.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" in the first paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, enactment and extension thereof for the time being in force " shall be inserted at the end of that Regulation
- 1.3 Regulations 8, 40, 41, 54, 64, 76 to 79 (inclusive), 82, 87, 89, 94 to 97 (inclusive) and 118 of Table A shall not apply to the Company
- 1.4 Where the expressions 'equity share capital', 'equity securities', 'holding company' and 'subsidiary' are used in these Articles they have the meanings given to them by the Act.
- 1.5 Unless the context otherwise requires.
- (a) words denoting the singular shall include the plural and vice versa,
 - (b) words denoting a gender shall include all genders, and
 - (c) references to persons shall include bodies corporate, corporations and firms
- 1.6 The 'ejusdem generis' (of the same kind) rule will not apply to the interpretation of these Articles Accordingly, 'include' and 'including' will be read without limitation
- 1.7 In these Articles the following words and expressions shall have the following meanings.

"Act"	the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force,
"Acceptance Period"	the period during which an offer made under Article 9.9 is open for acceptance,
"acting in concert"	has the meaning ascribed to it in the City Code on Takeovers and Mergers from time to time,
"Additional "C" Ordinary Share Return"	an amount equal to £[3,150,000] less an amount equal to the aggregate amount of principal repaid, redemption premium paid and interest paid (but, for the avoidance of doubt, not default interest) in respect of the Investors' Loans at the relevant date,
Additional Shares	Sale Shares which other Members decline to accept ("Additional Shares") following the service or deemed service of a Transfer Notice;
"Agreed Terms"	the form signed or initialled by a Director on behalf of the Company and on behalf of the Investors,
"Auditors"	the auditors for the time being of the Company,
"A" Ordinary Shares"	the "A" ordinary shares of 0 1p (one tenth of one penny) each in the capital of the Company and having the rights ascribed thereto as set out in these Articles,
"Bad Leaver"	means any person who was, but has ceased to be, an officer or employee of a Group Company (so that he is no longer either an officer or an employee of a Group Company) as a result of <ul style="list-style-type: none"> (a) his voluntary resignation from his office or employment within the period of 36 months following the date of the adoption of these Articles, or (b) his removal from office or dismissal for any act of fraud or dishonesty;
"Beneficial Owner"	a beneficial owner of any Equity Shares held by a nominee,
"Buyer"	a Member willing to purchase Equity Shares comprised in a Transfer Notice,
"C" Ordinary Shares"	the "C" ordinary shares of 0 1p (one tenth of one penny) each in the capital of the Company and having the rights ascribed thereto as set out in these Articles,

"Called Shareholders"	the holders of Equity Shares (other than the Sellers);
"Cash Assets"	the aggregate of all positive and negative balances which the Company has on any and all of the bank accounts in its sole name and under its control,
"company"	includes any body corporate,
"Compulsory Employee Transfer"	a transfer of shares pursuant to a Transfer Notice deemed to have been given under Article 10.1,
"Connected"	as defined by Section 993 of the Tax Act, provided however that any determination of fact as to whether two or more persons are acting together shall, in the absence of any ruling by HM Revenue & Customs, be made by the tax advisers appointed by the Investor Director or, if none is appointed, the Investors acting as experts and not as arbitrators and whose certificate or certificates from time to time shall be final and binding on the Company and all shareholders,
"Connected Person"	in relation to a Member, any person or company Connected to him and/or any person to whom he has directly or indirectly transferred shares pursuant to Article 9,
"Controlling Interest"	an interest in 50% or more of the Equity Shares (other than "C" Ordinary Shares) in issue for the time being,
"Deed of Adherence"	a deed of adherence to the terms of the Investment Agreement in such form as may be reasonably approved by the Investor Director or, if none has been appointed, by the Investors,
"Directors"	the directors for the time being of the Company or (as the context shall require) any of them (each a "Director") acting as the board of directors of the Company,
"Drag Along Notice"	a notice to exercise the Drag Along Option given under Article 13 2,
"Drag Along Option"	the option referred to in Article 13 1,
"Employee"	a person who is an officer or employee of a Group Company,
"Employee's Shares"	in relation to an Employee, all shares. (a) held by the Employee immediately before

the Termination Date,

(b) held immediately before the Termination Date by any Connected Persons (other than shares which the Directors are satisfied were not acquired by those persons either

(i) directly or indirectly from the Employee, or

(ii) by reason of their connection with the Employee

and the decision of the Directors in this respect will be final), and

(c) acquired by the Employee or his Connected Persons, personal representatives or executors after the Termination Date under any option scheme or other arrangement which was made before the Termination Date,

"Equity Shares"

Ordinary Shares, "A" Ordinary Shares and "C" Ordinary Shares,

"Excluded Person"

any or all of the following

(a) any Member (or other person entitled to a share in the manner set out in Article 10 6) whom the Directors are entitled under these Articles to require to give a Transfer Notice (but only throughout such time as the Directors are entitled to require him to give a Transfer Notice), or

(b) any Member or other person who has been required to give a Transfer Notice under these Articles (whether or not that requirement has been complied with),

"Fund Manager"

a person whose principal business is to make, manage or advise upon investments in securities;

"Group Company"

the Company, its holding company (if any) and any company which is for the time being a subsidiary of the Company or its holding company,

"Investor Director"

a person appointed as a Director of the Company pursuant to Article 17 1,

"Investment Agreement"	the investment agreement in Agreed Terms to be entered into on the date hereof between (1) the Investors (as defined therein), and (2) the Company and (3) others,
"Investors' Loans"	the loans advanced by the Investors to the Company pursuant to the Investment Agreement and any subsequent loans advanced to the Company by any one of them, and an "Investor's Loan" shall mean any of the Investors' Loans so made,
"Investors"	the holders of "A" Ordinary Shares from time to time,
"Issue Price"	the aggregate amount paid up (or credited as paid up) in respect of the nominal value thereof and any share premium thereon;
"Listed or Listing"	<ul style="list-style-type: none"> (a) the admission of all or any of the shares in the capital of the Company (or any part thereof) to the Official List of the UK Listing Authority and the admission of all or any of such shares to trading on the main market of the London Stock Exchange plc, or (b) the same being admitted to trading on the Alternative Investment Market; or (c) the same being admitted to trading on any recognised investment exchange as defined by Section 285 of the Financial Services and Markets Act 2000; or (d) the same being admitted to trading on the New York or American Stock Exchange or the NASDAQ National market in the United States of America, or (e) the same being admitted to trading on, or (f) such other stock exchange as the Investor Director or, if none has been appointed, the Investors may agree with the Board,
"Member"	a holder for the time being of issued Equity Shares;
"Offer"	<p>either</p> <ul style="list-style-type: none"> (a) an offer to purchase all the Equity Shares other than those already held by the offeror and/or any persons acting in concert with him, or

- (b) the entering into of one or more agreements which will result in any persons who are acting in concert (as defined above) acquiring all the Equity Shares, which agreements are unconditional or subject only to conditions in the sole control of any or all of the persons who are acting in concert,

in each case being an offer or agreement which is approved in writing by the Investor Director or, if none has been appointed, the Investors, as being an offer or an agreement to which Articles 12 and 13 do not apply,

"Ordinary Shares"	the ordinary shares of 0 1p (one tenth of one penny) each in the capital of the Company and having the rights ascribed thereto as set out in these Articles;
"Ordinary Shareholders"	the holders for the time being of the issued Ordinary Shares,
"Purchaser"	a bona fide arms length purchaser to whom the Sellers wish to transfer their Equity Shares under article 13 1;
"Relevant Proportion"	in relation to any holder of "C" Ordinary Shares, that proportion which the amount of that holder's Investor's Loan bears to the amount of all Investors' Loans For this purpose, each such holder's Investor's Loan and the aggregate amount of them shall be calculated on the basis of amounts advanced or committed to be advanced (whether or not fully drawn down) after deducting all amounts of principal repaid in respect of them (whether to that holder or to any former holder of those shares),
"Sale"	completion of the transaction(s) by which an Offer has arisen;
"Sale Price"	the price per Sale Share agreed or determined pursuant to Articles 9.5 to 9 8 inclusive, Article 9 22 or Article 10 7,
"Sale Shares"	all Equity Shares comprised in a Transfer Notice;
"Sellers"	either (a) the Investors if no Sale or Listing of the Company has taken place by the third anniversary of the adoption of these

Articles, or

- (b) at any other time, the holders of not less than 75% of the Equity Shares (other than "C" Ordinary Shares) for the time being in issue;

"Sellers' Shares"

the Equity Shares held by the Sellers,

"Table A"

the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2007/2541) and the Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 (SI 2007/2826), and as otherwise amended before the adoption of these Articles,

"Tax Act"

the Income Tax Act 2007, as amended,

"Termination Date"

in relation to an Employee

- (a) where the Employee's employment ceases by virtue of notice given by the employer to the Employee, the date on which the notice expires;
- (b) where the Employee's contract of employment is terminated by the employer and a payment is made or is liable to be made in lieu of notice, the date on which notice of termination was served;
- (c) where the Employee concerned is an officer but not an employee, the date on which the contract for the provision of his services is terminated,
- (d) where the Employee dies, the date immediately prior to the date of his death; and
- (e) in any other case, the date on which the Employee's office or contract of employment is terminated;

"Transfer Notice"

a written notice served by a Member on the Company in accordance with Article 9 or deemed to have been served pursuant to these Articles,

"VCT Legislation"	section 416 of the Income and Corporation Taxes Act 1988 and Chapter 4, Part 6 of the Tax Act,
"Vendor"	the transferor under a Transfer Notice; and
"Warranties"	as defined in the Investment Agreement.

2 SHARE CAPITAL AND LIABILITY OF THE MEMBERS

2 1 In these Articles, unless the context requires otherwise, references to Equity Shares shall include shares of those respective classes created and/or issued after the date of adoption of these Articles

2 2 There shall be no maximum amount of shares that may be allotted or issued by the Company

2 3 The liability of the Members is limited

3 SHARE RIGHTS

Income

3 1 The distribution of any profits of the Company shall require the prior approval of the Members by special resolution

3 2 Any profits that the Company may so resolve to distribute shall be distributed amongst the holders of Equity Shares *pari passu* as if the Equity Shares constituted one class of share and the amount distributed shall be calculated by reference, and in proportion, to the nominal value of such shares (as a proportion of the aggregate nominal value of all the issued shares in the Company), provided however that the nominal value for these purposes of the "C" Ordinary Shares shall be deemed to be £0 00001 per share

3 3 No dividend shall be payable (unless the Investor Director or, if none has been appointed the Investors consent in writing (such consent not to be unreasonably withheld or delayed)) on the Equity Shares if on the proposed payment date any amounts of capital and interest on the Investors' Loans remain outstanding or there are any "C" Ordinary Shares in issue

3 4 Notwithstanding the foregoing in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled to receive, if the whole of the income of the Company were in fact distributed among its participators (without regard to any rights which any holder has as a loan creditor or by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares), more than 50% of the amount so distributed For these purposes the expressions "participator" and "loan creditor" shall bear the meanings respectively given to them by section 253 of the Tax Act and the expression "relevant fixed rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act

3 5 Regulations 102 to 105 (inclusive) of Table A shall be subject to this Article 0 and in Regulation 103 of Table A the words from "If the share capital is divided" to the end of the Regulation shall be deleted

Capital

- 3.6 On a return of assets on a liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of Equity Shares (pari passu as if the same constituted one class of shares) in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Equity Shares held by them respectively, provided however that the maximum distribution for these purposes that may be received in respect of a "C" Ordinary Share shall be an amount equal to the Issue Price of such "C" Ordinary Share and the Additional "C" Ordinary Share Return divided by the number of "C" Ordinary Shares then in issue
- 3.7 The proceeds of any Sale of the Company shall be distributed as follows:
- (a) first, in paying to each holder of "C" Ordinary Shares an amount equal to the aggregate Issue Price of such "C" Ordinary Shares held by him plus an amount equal to his Relevant Proportion of the Additional "C" Ordinary Share Return (and, if the proceeds are insufficient to make such payments in full, then the proceeds shall be distributed amongst the holders of "C" Ordinary Shares in the proportion which the amount due to each of them under this Article 3.7(a) bears to the aggregate amount due to all holders of "C" Ordinary Shares under this Article 3.7(a)); and
 - (b) the balance of such proceeds shall be distributed amongst the holders of Equity Shares (other than a person who holds only "C" Ordinary Shares) as if the Equity Shares (other than "C" Ordinary Shares) held by them constituted one class of shares in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of the Equity Shares (other than "C" Ordinary Shares) held by them respectively
- 3.8 In the event of a Sale, Article 3.7 shall apply notwithstanding anything to the contrary in the terms of such Sale (unless all the holders of the Equity Shares immediately prior to the Sale have agreed in writing to the contrary expressly for the purposes of this provision), whether in the agreements for Sale or otherwise
- 3.9 Notwithstanding any of the foregoing in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled (otherwise than by reason of that holder's possession of, or entitlement to acquire relevant fixed-rate preference shares) on a return of assets on a liquidation or capital reduction or otherwise (but, for the avoidance of doubt, not on a Sale) to receive more than 50% of the capital available for payment to all members. For those purposes the expression "relevant fixed-rate preference shares" shall bear the meaning given by Chapter 4, Part 6 of the Tax Act

Voting

- 3.10 Subject to the special rights or restrictions as to voting attached to any shares:
- (a) the Equity Shares (other than "C" Ordinary Shares) shall carry one vote per share,
 - (b) the "C" Ordinary Shares shall not carry the right to receive notice of general meetings of the Company or the right to attend or vote at them;
 - (c) votes on shares may be exercised on a show of hands or poll by every holder of Equity Shares (other than a person who holds only "C" Ordinary

Shares) who is present in person or by proxy or (being a corporation) by a representative, and

- 3 1 1 notwithstanding the foregoing in order to comply with the VCT Legislation no single company which is a holder of Equity Shares shall (together with any Connected person) be entitled to exercise more than 50% of the voting rights attaching to the equity share capital of the Company.

4 ISSUE OF NEW SHARES

- 4 1 Subject to Article 4 3, no shares of any class may be allotted or issued by the Company unless they are first offered to all holders of Equity Shares (other than a person who holds only "C" Ordinary Shares) in proportion as nearly as possible to the numbers of Equity Shares (other than "C" Ordinary Shares) held by them. The Equity Shares (other than "C" Ordinary Shares) shall be treated as if they constituted one class of share for the purposes of this Article 4 1

- 4 2 An offer under article 4 1 shall be made by notice in writing, shall state the number and class of shares offered and the price per share (which shall be the same price per share regardless of the class) and shall be open for acceptance for at least 30 days (but no more than 42 days) after notice of it is given to the holders of Equity Shares (other than a person who holds only "C" Ordinary Shares). Any shares which are not accepted in that period shall be at the disposal of the Directors who may (within the period of 3 months from the expiry of the last offer made under article 4.1) allot, issue, grant options over or otherwise dispose of those shares to any person and on any terms, but the price per share and other terms offered to such a person cannot be more favourable than the price and terms offered to the relevant holders of Equity Shares (other than a person who holds only "C" Ordinary Shares) If the Directors propose to issue shares wholly or partly for a non-cash consideration the cash equivalent of such consideration for the purposes of this Article shall be as reasonably determined by the Auditors who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its members.

- 4 3 The Company does not have to make an offer under Article 4 1

- (a) in relation to the issue of shares in the Company pursuant to the Investment Agreement; or
- (b) if the Members so elect by special resolution

- 4 4 Articles 4 1 and 4 2 will also apply (with the necessary changes) to the grant of any right to subscribe for shares of any class

- 4 5 Subject to this Article 4 and to the provisions of Section 551 of the Act, shares in the capital of the Company shall be at the disposal of the Directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that no shares shall be issued at a discount and that no shares shall be allotted to any person who is not already a party to the Investment Agreement unless that person has first executed and delivered to the Company a Deed of Adherence

- 4 6 In accordance with section 567(1) of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to either or both an allotment or issue of equity securities made by the Company

5 VARIATION OF CLASS RIGHTS

5.1 If the Company's share capital is divided into different classes of shares, the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up

- (a) in the case of the Ordinary Shareholders, with the consent in writing of the holders of at least three-fourths of the issued shares of the relevant class or with the sanction of a special resolution passed at a separate meeting of the holders of that class, but not otherwise, and;
- (b) in the case of the holders of "A" Ordinary Shares and the holders of "C" Ordinary Shares with the sanction of a special resolution passed at a separate meeting of the holders of the relevant class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply (*mutatis mutandis*) except that
 - (i) the necessary quorum shall be at least two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum, and
 - (ii) the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively

5.2 The special rights attached to the "A" Ordinary Shares and the "C" Ordinary Shares shall be deemed to be varied upon the occurrence of any of the following events (which shall therefore require class consent in accordance with Article 5)

- (a) any alteration or variation of any of the rights attached to any of the shares for the time being in the capital of the Company,
- (b) the passing of any resolution to wind-up the Company or any subsidiary of the Company or the convening of a meeting of the members of the Company for this purpose,
- (c) any increase in the issued capital of the Company other than the issue of Equity Shares pursuant to the Investment Agreement,
- (d) any reduction or sub-division or consolidation of the authorised or issued share capital of the Company,
- (e) the grant by the Company of a right to subscribe for or to convert securities into shares in the capital of the Company save for grants of rights to subscribe for Equity shares pursuant to the Investment Agreement,
- (f) the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company;
- (g) the redemption of any of the Company's shares or the entering into of a contract by the Company to purchase any of its shares;
- (h) any alteration of the Company's memorandum or articles of association,
- (i) the passing of any special resolution,

- (j) the calling of a meeting of the Company to effect or approve any matter which would by virtue of this Article 5 2 be a variation of such class rights,
- (k) re-registration of the Company as a public company,
- (l) the subscription for or other acquisition of shares in any company, the acquisition of all or substantially all of the assets of any other company or of any unincorporated business, the disposal of any share in any other company, the disposal of the Company's undertaking and assets or any substantial part thereof or the making of any capital investment in any partnership or the disposal of any such interest, or
- (m) a Director is a party to any act or transaction, or proposed act or transaction, which gives rise to an interest on the part of that Director falling within the terms of Article 18 1 (a) to (f) inclusive

6 LIEN

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not for all money or liabilities owed to the Company by any person who is a registered holder of shares whether they are the sole registered holder of the shares or one of several joint holders

7 REGISTRATION OF TRANSFERS

7 1 The Directors must (subject only to Regulation 24 of Table A and Article 7.2) register promptly any transfer of shares made in accordance with the provisions of these Articles but shall not register any other transfer of shares

7 2 In addition to the circumstances set out in Regulation 24 of Table A, the Directors may refuse to register a transfer of a share to a

- (a) bankrupt,
- (b) minor;
- (c) person of unsound mind, or
- (d) proposed transferee who has not duly executed a Deed of Adherence

7 3 To ensure that a transfer of Equity Shares is duly authorised under these Articles or that no circumstances have arisen requiring a Transfer Notice to be given, the Directors may require any Member, any Connected Person or the personal representatives or trustee in bankruptcy, receiver or liquidator of any Member or any person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the Directors reasonably think fit regarding any matter which they consider relevant. If such information is not provided to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Equity Shares concerned. If the information discloses (in the reasonable opinion of the Directors) that a Transfer Notice ought to have been given in respect of any Equity Shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the Equity Shares concerned

8 PERMITTED TRANSFERS

Subject to the provisions of Article 0

Transfers by Investors

8 1 a transfer of any Equity Shares by an Investor to any or all of the following may be made without restriction as to price or otherwise;

- (a) its holding company (if any) and any company which is for the time being its subsidiary or a subsidiary of its holding company,
- (b) a venture capital trust, venture capitalist, investment trust, investment company, limited partnership or such like entry,
- (c) another Investor,
- (d) an acquirer of an Investor, or
- (e) the fund manager/adviser to an Investor or an employee, member or partner of the fund manager/adviser to an Investor; and

Transfers by nominees

8 2 a transfer of any Equity Shares by a nominee to the Beneficial Owner of such shares or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only may be made without restriction as to price or otherwise. Where any person to whom any Equity Shares have been transferred as a nominee ceases to hold such Equity Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Equity Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Directors to be a nominee for the Beneficial Owner only and in default of doing so he shall be deemed to have given a Transfer Notice in respect of all such Equity Shares.

9 PRE-EMPTION RIGHTS

Transfer Notices

9 1 Save as otherwise provided in these Articles, before transferring or disposing of any Equity Shares (or any interest in Equity Shares) the Vendor shall serve a notice on the Company specifying the number and class of Equity Shares in question and the proposed price for such shares

9 2 Transfer Notices constitute the Company as the Vendor's agent for the sale of the Equity Shares in question in one or more lots at the discretion of the Directors at the Sale Price

9 3 Except as provided in this Article 9, a Transfer Notice once given shall not be revocable except with the consent of the Directors

9 4 A Transfer Notice may comprise Equity Shares of more than one class and shall, if the Vendor has received any offer to purchase Equity Shares (whether or not an offer capable of becoming legally binding upon acceptance) within the period of three months prior to service of the Transfer Notice, give the name of the offeror, the number and class of Equity Shares concerned and the price offered in respect of each such Equity Share. A Transfer Notice may not be given by an Excluded Person unless required by the Directors under Article 7 3 or 10.6.

Sale Price

- 9 5 Subject to Articles 9.8 and 10.7, the Sale Price shall be the price agreed by the Vendor and the Directors. If the Vendor and the Directors are unable to agree a price within 14 days of the Transfer Notice being given (or being deemed to have been given) the Sale Price will instead be the price which the Auditors shall certify to be in their opinion a fair value of the Sale Shares.
- 9 6 The Auditors shall (acting as experts and not arbitrators) within 14 days of being requested to do so certify to the Company the Sale Price, being the value of each Sale Share (or, where appropriate of each Sale Share of each class). In arriving at their opinion, the Auditors will value the Sale Shares
- (a) as at the date the Transfer Notice is given or deemed to have been given,
 - (b) on a going concern basis as between a willing seller and a willing buyer of all the then issued Equity Shares,
 - (c) by dividing the resultant figure between the classes of Equity Shares by applying the provisions of Article 3.7 as if that sum were the proceeds of a Sale; and
 - (d) by dividing the sum attributable to the Equity Shares of the relevant class by the number of Equity Shares of that class in issue.
- 9 7 The Auditors' certificate as to the Sale Price shall be final and binding save in the event of fraud or manifest error.

Restriction of Sale Price in certain circumstances

- 9 8 In the case of a Compulsory Employee Transfer the Sale Price for the shares in question shall be the price agreed or certified by the Auditors in accordance with Articles 9.5 to 9.7 (inclusive) unless the Employee is a Bad Leaver, in which case the Sale Price shall be the nominal value of such shares and, subject to Article 10.9, the provisions of Articles 9.14 to 9.18 (inclusive) shall apply, save to the extent of any reference to Article 9.12.

Offer to Members

- 9 9 Within 21 days following receipt of the Transfer Notice or (where relevant) the date on which the Transfer Notice is deemed to have been given or where the Sale Price is certified by the Auditors the date of certification of the Sale Price, the Company shall offer the Sale Shares to each Member (other than the Vendor and any Excluded Person) in accordance with the provisions of this Article 9.10 and Articles 9.11 and 9.12 at the Sale Price. All offers shall be made by notice in writing and state a time (being between 30 and 42 days inclusive following the date of such notice) within which the offer must be accepted or, in default, will be deemed to have been declined. A copy of such offer shall at the same time be sent by the Company to the Vendor.
- 9 10 The Company shall offer the Sale Shares to the relevant holders of Equity Shares (other than a person who holds only "C" Ordinary Shares) in proportion to the number of Equity Shares (other than "C" Ordinary Shares) held by them (and for the purposes of this Article 9.10 such Equity Shares shall be treated as if they constituted one class of share).
- 9 11 The Sale Shares shall be offered on the following basis

- (a) any Member to whom the Sale Shares are offered may accept all or some only of the Sale Shares offered to him, and shall be invited to indicate whether, if he accepts all such Sale Shares, he wishes to purchase any Additional Shares and, if so, the maximum number of Additional Shares which he wishes to purchase,
 - (b) any Additional Shares shall be allocated between the Members who have indicated that they wish to purchase Additional Shares pro rata to the proportion of the voting rights represented by the total number of Equity Shares (other than "C" Ordinary Shares) held by those Members but so that no Member shall be required or entitled to receive more than the maximum number indicated by him pursuant to Article 9.11(a), and
 - (c) subject to the provisions of this Article and Article 9 10, the Buyers shall be bound to purchase the Sale Shares properly allocated to them at the Sale Price
- 9 12 Not later than 7 days following the expiration of the Acceptance Period the Company shall give written notice to the Vendor stating.
 - (a) if it is the case, that no Member has sought to purchase any of the Sale Shares, or
 - (b) the number of Sale Shares which Members have sought to purchase, giving the name and address of each Buyer and the number of Sale Shares to be purchased by him
- 9 13 If within the Acceptance Period, Buyers have been found for some only of the Sale Shares or if no Buyer has been found for any of the Sale Shares, the Vendor may within 7 days of service on him of notice under this Article revoke his Transfer Notice by written notice to the Company
- 9 14 If the Vendor is given notice under Article 9 12(b) (and subject to his not revoking his Transfer Notice in accordance with Article 9 13) he shall be bound on payment of the Sale Price to transfer the Sale Shares in question to the respective Buyers. The sales and purchases shall be completed at the registered office of the Company during normal business hours on the first business day after the expiry of 14 days following the date of service of notice by the Company under Article 9 12
- 9.15 If a Vendor fails to transfer any Sale Shares to a Buyer after becoming bound to do so, the Directors may authorise any person to execute on behalf of and as attorney for the Vendor any necessary instruments of transfer and shall register the Buyer as the holder of the relevant Sale Shares. The Company's receipt of the purchase money shall be a good discharge to the Buyer and the Company shall thereafter hold the purchase money on trust for the Vendor. After the name of the Buyer has been entered in the Register of Members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 9 16 If the Company fails before the end of the Acceptance Period to find a Buyer or Buyers for any of the Sale Shares, the Vendor may (subject to Articles 7 and 9 18) sell all or any of the Sale Shares to any third party/parties
- 9 17 If before the end of the Acceptance Period the Company finds a Buyer or Buyers for some (but not all) of the Sale Shares and serves notice accordingly under Article 9.12 the Vendor may (subject to Articles 0 and 9.18) sell all or any of the Sale Shares for which no Buyer has been found to any third party/parties unless he revokes his

Transfer Notice pursuant to Article 9 13 in which case he may sell all (but not some only) of the Sale Shares to any third party/parties

9 18 The right of the Vendor to sell Sale Shares pursuant to Article 9 16 or Article 9 17 shall be subject to the following restrictions

- (a) Sale Shares may not be sold after the expiry of three months after the date on which notice is given by the Company under Article 9 12,
- (b) Sale Shares must be sold on a bona fide sale at a price not less than the Sale Price and without any deduction, rebate or allowance whatsoever to the Buyer,
- (c) the provisions of Article 7.3 (if applicable); and
- (d) no Equity Shares may be transferred, or disposed of, pursuant to this Article 9.18 by any person who is an Excluded Person unless the Directors resolve to approve such transfer or disposal

9 19 The costs of the Auditors shall be borne as the Auditors may direct

9 20 The restrictions imposed by this Article 9 may be waived in relation to any proposed transfer of Equity Shares with the consent of all Members who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with Article 9.11

9 21 For the purposes of Article 9.18(b) and calculating whether or not a price to be paid for the Sale Shares is more or less than the Sale Price, then the cash value of any non-cash consideration shall be that agreed between the Vendor and the Company, or if the Vendor and the Company fail to agree such cash value within 15 business days following the earlier of any request by the Vendor to so value any non-cash consideration and the submission to the Company of the relevant stock transfer form(s) relating to a transfer of the Sale Shares for non-cash consideration, the cash value shall be the amount certified as such as at the date of the earlier of the request for valuation and the purported transfer of the Sale Shares at the request of the Directors, by the Auditors (acting as experts and not arbitrators) Their certificate shall be final and binding

9 22 If the Auditors are unwilling or unable to act to certify the Sale Price in accordance with the provisions of this Article 9 or if the Investor Director or, if none is appointed, the Investors so specifies in writing, then the Sale Price shall instead be certified by an independent firm of chartered accountants appointed by the Directors with the approval of the Investor Director or, if none is appointed, the Investors and references in this Article 9 to the Auditors shall be deemed to be references to such firm of chartered accountants

9 23 Notwithstanding any other provision of these Articles, a Transfer Notice which is deemed or required to have been given under these Articles shall not be revocable except with the consent of the Directors

9 24 If

- (a) a Member gives a Transfer Notice (not being a deemed Transfer Notice), and

- (b) a Transfer Notice is subsequently deemed to have been given by the same Member before their shares are transferred

the original Transfer Notice will immediately be cancelled. Any offers made by the Company on behalf of the Member under that original Transfer Notice will automatically be withdrawn and will have no effect, even if accepted

10 MANDATORY TRANSFERS

Mandatory transfer on termination of employment

- 10.1 If an Employee ceases for any reason (including death) to be an officer or employee of any Group Company and does not continue in that capacity in relation to any Group Company, a Transfer Notice shall be deemed to have been served on the Company at the time prescribed in Article 10.2 in respect of all the Employee's Shares
- 10.2 A Transfer Notice shall be deemed to have been served under Article 10.1 on the Termination Date in respect of all the Employee's Shares. If any Employee's Shares are not acquired by the Employee or his personal representatives, executors or Connected Persons until after the Termination Date, the Transfer Notice shall be deemed to have been served in respect of those shares on the date they are acquired
- 10.3 The Employee's Shares shall remain Employee's Shares until they have been validly transferred under Articles 9.20 or 10.2. No transfer of any Employee's Share may be made other than under Articles 9.20 or 10.2
- 10.4 The rights attaching to each Employee's Share shall be restricted immediately on the Termination Date in the following ways
- (a) the right to attend and vote at general meetings attaching to the Employee's Share (if any) may only be exercised by the Chairman and no other person, and
- (b) the holder of the Employee's Share shall be excluded from any offer under any or all of Articles 4.1, 9.9, 9.10 or 9.11
- 10.5 The restriction on the right to attend and vote at general meetings attached to an Employee's Share shall continue until such time as another person is entered in the Company's register of members as the holder of that Employee's Share or a buyer of that Employee's Share is not found

Mandatory transfer on insolvency event

- 10.6 A Member who has acquired any share or a person entitled to any share in consequence of the bankruptcy, receivership or liquidation of a Member shall be bound if required in writing to do so by the Directors not later than 90 days after the Directors receive notice from the person concerned that he has become so entitled, to give a Transfer Notice in respect of all the shares then registered in the name of the Member in bankruptcy, receivership, or liquidation, within 2 weeks of receipt of the relevant request

Mandatory transfer for breach of warranty

- 10 7 If any person has committed a breach of any of the Warranties or of any of the other provisions of the Investment Agreement where such breach has had (or is reasonably likely to have) a materially adverse effect on the business of the Company, then he shall be deemed to have given a Transfer Notice as at the date of the fact of his breach being agreed by the Investor Director or, if none is appointed, by the Investors or determined by a court of competent jurisdiction in respect of all of the shares registered in his name as at that date. The Sale Price for the shares in question shall be the nominal value of such shares and, subject to Article 10 10, the provisions of Articles 9 14 to 9 18 (inclusive) shall apply, save that the holder of the shares shall have no right to revoke the Transfer Notice under article 9 13 and accordingly those provisions shall be read as if there were no reference to Article 9 13
- 10 8 Regulations 29 to 31 (inclusive) of Table A shall not apply to the Company in the event of an Employee's death or bankruptcy
- 10 9 If a Transfer Notice is deemed to have been given pursuant to Articles 10.1 to 10 7 inclusive the shares subject to the deemed Transfer Notice shall then be offered in accordance with the provisions of Article 9 9 to 9.11 inclusive
- 10 10 As from the point in time when any Employee is deemed to have given a Transfer Notice pursuant to the provisions of Article 10 2 (but only if the Employee concerned is a Bad Leaver), any shares then held by him in respect of which he is not then deemed to have given a Transfer Notice shall, notwithstanding any other provision of these Articles, cease to confer on him the right to attend or to vote at general meetings

11. EVIDENCE OF COMPLIANCE

In any case where the Directors may require a Transfer Notice to be given and it is not duly given within a period of two weeks of notice being given requiring the Transfer Notice to be given, a Transfer Notice in respect of the Equity Shares in question shall be deemed to have been given at the expiration of that period. Any Transfer Notice deemed to have been given or required to be given under any provision of these Articles shall not be capable of revocation and (notwithstanding any of the provisions of these Articles) shall extend not just to the shares registered in the name of the Member concerned but to any person Connected to him and/or to whom he has directly or indirectly transferred shares pursuant to Article 9

12 TAG ALONG

- 12 1 Save for transfers permitted or required under Articles 8, 9 or 13 1 to 13 12 inclusive, no sale or transfer of the legal or beneficial interest in any Equity Shares (other than "C" Ordinary Shares) may be made or validly registered if, as a result of that sale or transfer and registration, a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert (where such person(s) did not have a Controlling Interest immediately prior to such proposed transfer) unless the proposed transferees or their nominees make a written offer complying with Article 12.2 below to all Members to acquire all the Equity Shares held by them
- 12 2 The offer referred to in Article 12.1 above shall be on the following terms:
- (a) it will be open for acceptance for a period of at least 28 days following the making of the offer,

- (b) the consideration payable for all the "C" Ordinary Shares then in issue shall be an amount equal to the Issue Price of such "C" Ordinary Shares plus an amount equal to the Additional "C" Ordinary Share Return (such consideration to be apportioned amongst the holders of the "C" Ordinary Shares according to their respective Relevant Proportions),
 - (c) the consideration payable for the Equity Shares (other than the "C" Ordinary Shares) shall be an amount calculated by dividing the Specified Price amongst such Equity Shares in proportion to the amounts paid up or credited as paid up in relation to the nominal value only of such Equity Shares ,
 - (d) the purchase of any shares in respect of which such offer is accepted shall be completed on the same terms for all Members (and for this purpose any offer which provides for any warranties or indemnities (other than warranties as to title and capacity) or restrictive covenants from some, but not all, Members shall be deemed to comply with this Article 12 2(d)), and
 - (e) in the case of an offer made to the Investors, that offer must also provide for the immediate repayment of that Investor's Loans in full with any interest thereon.
- 12 3 In this Article 12 the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under any such letter of allotment
- 12.4 The "Specified Price" for the purposes of this Article 12 means that price per share calculated by taking the sum of
- (a) the amount offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for each of the Equity Shares comprised in the Controlling Interest or, if higher, the highest amount paid or payable for an Equity Share in any related or previous transaction within the 12 months preceding the offer by the same purchaser or any person acting in concert with them; plus
 - (b) an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Equity Shares comprised in the Controlling Interest which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Controlling Interest. Without prejudice to the generality of the foregoing, any additional consideration which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable for the Controlling Interest.
- 12 5 Any disagreement as to the calculation of consideration which each Member is entitled to receive in respect of each share held by him for the purposes of this Article 12 shall be referred to the Auditors (acting as experts and not arbitrators) whose decision shall be final and binding (in the absence of fraud or manifest error) and the costs of the Auditors shall be borne by the Company

13 DRAG ALONG

- 13 1 If the Sellers wish to transfer the Sellers' Shares at an arms length price to a bona fide arms length purchaser with whom none of them is Connected or one or more such persons acting in concert, the Sellers shall have the option to require all the Called Shareholders to sell and transfer all their shares to the Purchaser (or as the Purchaser shall direct) in accordance with articles 13.2 to 13.12 inclusive and on the basis set out in Article 12 2(c), provided always that the Investors may only be required to sell and transfer pursuant to an exercise of the Drag Along Option if the Investor's Loans (if any) are, upon completion of the sale and transfer, repaid in full together with any accrued or unpaid interest thereon.
- 13 2 The Sellers may exercise the Drag Along Option by giving written notice to that effect at any time before the transfer of the Sellers' Shares to the Purchaser. A Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Called Shares under article 13 1,
 - (b) the person to whom they are to be transferred,
 - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 13 4 below); and
 - (d) the proposed date of transfer.
- 13 3 Drag Along Notices shall be irrevocable but will lapse if the Sellers' Shares are not sold to the Purchaser within 60 days after the date the Drag Along Notice was served. The Sellers may serve further Drag Along Notices if any particular Drag Along Notice lapses.
- 13 4 The amount of the consideration payable for each Called Share shall be calculated by applying the provisions of Article 3 7 as if the Specified Price were the proceeds of a Sale. The "Specified Price" for the purposes of this Article 13 means:
- (a) the amount offered or paid or payable by the proposed transferee or transferees or his or their nominees respectively for all the Equity Shares, plus
 - (b) an amount equal to any other consideration (in cash or otherwise) received or receivable by the holder or holders of the Equity Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Equity Shares. Without prejudice to the generality of the foregoing, any additional consideration which is linked to future profits, turnover or some other measure of the future performance of the Company shall be regarded as consideration which is an addition to the price paid or payable for the Equity Shares.
- 13 5 The sale of the Called Shares shall be completed on the date proposed for completion of the sale of the Sellers' Shares unless the holders of 50% of the Called Shares and the Sellers agree otherwise.
- 13 6 The restrictions on transfer set out in articles 9 and 12 shall not apply to any transfer of shares to a Purchaser (or as he may direct) pursuant to the exercise of the Drag Along Option.

- 13 7 If any holder of Called Shares does not on completion of the sale of Called Shares execute transfers in respect of all his Called Shares or does not take any action required of him under the terms of the Drag Along Option, that holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Directors to be his agent and attorney to
- (a) execute all necessary transfers on his behalf,
 - (b) undertake on his behalf any action required under the terms of the Drag Along Option, and
 - (c) against receipt by the Company (on trust for the holder) of the purchase monies or any other consideration payable for the Called Shares, deliver those transfers to the Purchaser (or as he may direct)
- 13 8 On completion of the sale of the Called Shares, the directors shall (subject only to stamping any stock transfer forms, if required) immediately register the Purchaser (or as he may direct) as the holder of the Called Shares and, after the Purchaser (or his nominee) has been registered as the holder, the validity of those proceedings shall not be questioned by any person. A person may be registered as the holder of the Called Shares under this Article 13 8 even if no certificate for those shares has been produced
- 13 9 If any person becomes a member of the Company (a 'New Member') pursuant to the exercise of any option or other right to acquire shares in the Company after a Drag Along Notice has been served, the New Member will be bound to sell and transfer all shares acquired by him to the Purchaser or as the Purchaser may direct. The provisions of Articles 13 1 to 13.11 inclusive shall apply (with the necessary changes) to the New Member, save that if the shares are acquired after the sale of the Called Shares has been completed, completion of the sale of the New Member's shares shall take place immediately on the New Member acquiring the shares
- 13.10 In this Article 13
- (a) 'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under such a letter of allotment, and
 - (b) 'shares' includes bearer shares, warrants, depository receipts and any other security or instrument into which shares may be converted with a view to a sale
- 13 11 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to this Article 13
- 13 12 If the Sellers exercise the Drag Along Option, it shall not be necessary for them first to have given Transfer Notices pursuant to Article 9 nor to have complied with the provisions of Article 12.
- 14 **PROCEEDINGS AT GENERAL MEETINGS**
- 14 1 Save as herein otherwise provided at any general meeting, two Members present in person or by proxy (or, being a corporation, by representative), one of whom must be a proxy or duly authorised representative of an Investor, shall be a quorum
- 14 2 If a quorum is not present within half an hour from the time appointed for a general meeting or ceases to be present the general meeting shall stand adjourned to the

same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine

14 3 If at any adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved, unless the meeting was adjourned for 13 days or more and due notice in such regard was given to the Members within 5 days of the adjournment whereupon the quorum at any such adjourned meeting shall be any two Members present in person or by proxy (or, being a corporation, by representative)

14 4 In the case of any equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote

15 **APPOINTMENT AND RETIREMENT OF DIRECTORS**

15 1 The Directors shall not be required to retire by rotation

15.2 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director

15.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of directors

16 **PROCEEDINGS OF THE DIRECTORS**

16 1 The number of Directors shall not be less than 2

16.2 Subject to Article 18, the quorum necessary for the transaction of business of the Directors shall be two, at least one of whom shall be the Investor Director (or his alternate) if at the time of the meeting an Investor Director has been appointed

16 3 At any meeting of the Directors each Director (or his alternate director) present at the meeting shall be entitled to one vote.

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

16 5 At the end of Regulation 66 of Table A there shall be added the words

"nor shall any meeting of the Directors be invalid because notice thereof or of any business to be transacted at that meeting was not given to any alternate director if his appointor attends such meeting "

16 6 Notice of every meeting of the Directors shall be given to each director and his alternate (if any) at any address, email address or facsimile number supplied by him to the Company for that purpose Notice shall be given whether or not the director or his alternate is present in the United Kingdom

16 7 [Any Director may waive notice of any meeting either prospectively or retrospectively and, if he does so, it shall be no objection to the validity of the meeting that notice was not given to him.

- 16 8 Meetings of the Directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other. Those meetings shall be as effective as if the directors had met in person. A meeting held by these means shall be deemed to take place where the largest number of participants is assembled. In the absence of a majority, the chairman's location shall be deemed to be the place of the meeting.

17 **THE INVESTOR DIRECTOR AND OBSERVERS**

Investor Director

- 17 1 Notwithstanding any other provisions of these Articles, for so long as the Investors or any of them hold any share(s) in the Company and/or any Investors' Loans are outstanding (in whole or in part) the Investors may from time to time

- (a) appoint as a director of the Company any one person;
- (b) remove from office any person so appointed, and
- (c) appoint another person in his place

in each case by giving notice in writing to the Company signed by all of the Investors, such notice to take effect on delivery at the registered office of the Company or at any meeting of the board of Directors.

- 17 2 The Investor Director shall not be required to hold any shares in the Company.

- 17 3 For so long as the Investors or any of them hold any share(s) in the Company and/or any Investors' Loans are outstanding, on any resolution to remove the Investor Director the shares held by the Investors shall together carry at least one vote in excess of 51% of the votes exercisable in respect of that resolution at the general meeting at which such resolution is to be proposed and if any such director is removed pursuant to Section 168 of the Act the Investors may reappoint him or any other person as their Investor Director.

Observer

- 17 4 Notwithstanding any other provisions of these Articles, for so long as Investors or any of them hold any share(s) in the Company and/or any Investors' Loans are outstanding, they shall have the right to appoint up to two persons as an observer at board meetings of the Company and to remove from such position any person so appointed and (subject to such removal) to appoint another person in his place.

- 17 5 Such observer shall be entitled to receive the same information concerning the business and affairs of the Company, as the Directors receive, and at the same time, but shall not be entitled to vote at meetings of the Directors and shall not be counted towards the quorum at such meetings.

- 17 6 Any appointment or removal of such observer shall be by notice in writing to the Company signed by all of the Investors which will take effect on delivery at the registered office of the Company or at any meeting of the board of Directors.

- 17 7 The Investors may appoint one Investor Director and one such observer but shall not be entitled to appoint more than two persons either as an Investor Director and/or such observer(s) in aggregate at any one time.

18 **DIRECTORS' CONFLICTS OF INTEREST**

18 1

Subject to the provisions of the Act and provided that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind.

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Group Company,
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested,
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution,

and a Director may vote and be counted in the quorum at any meeting of the Directors notwithstanding any such interest(s)

18 2

In addition to the provisions of Article 18 1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a earned interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) a Fund Manager,

- (b) any of the funds advised or managed by a Fund Manager from time to time, or
 - (c) another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies
- 18 3 Subject to Section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 18
- 18 4 For the purposes of this Article 18:
 - (a) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in the transaction or arrangement of the nature and extent so specified,
 - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his,
 - (c) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
 - (d) an interest of a person who is for any purpose of the Act connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of the Director who appointed him shall be treated as an interest of the alternate director, without affecting the alternate director's obligation to disclose his own interest (if any),
 - (e) notwithstanding any other provision of these Articles, the provisions of section 252 of the Act shall determine whether a person is connected with a director, and
 - (f) in any situation permitted by this Article 18 (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

19 **STEP IN RIGHTS**

If any or all of the following events occur.

- (a) there is a material breach of the Warranties; or
- (b) any one or combination of the Directors (excluding the Investor Director) or the Company are in breach of any of their obligations in the Investment Agreement, or, in the case of the Directors only, of their service agreements, (which in any case, if capable of remedy has not been remedied within 14 days of the Directors receiving notice to remedy the same from the Investor Director) the consequences of which may be (in the opinion of the Investor Director) to the material detriment of the Company or the interests of the Investors or any of them as shareholders

of and lenders to, the Company (including the status of their investments as qualifying holdings within the meaning of Chapter 4, Part 6 of the Tax Act), or

- (c) there is a material breach of these Articles of association of the Company in force from time to time, or
- (d) the Cash Assets of the Company fall to less than £15,000, or such other sum as may be agreed half yearly after the date hereof between the Investor Director or, if none has been appointed, the Investors and the Company,

and the Investor Director has given written notice to the Directors that the provisions of this Article 19 should have effect, then until such time as written notice is given by the Investor Director that the provisions of this Article 19 shall cease to have effect in relation to the matter in question (which will be given as soon as the relevant circumstances(s) prompting the giving of the notice is/are no longer applicable), the Investor Director alone shall count as a quorum at any meeting of Directors and shall be entitled at any meeting of Directors to cast such number of votes which exceeds the votes cast for a resolution to which the Investor Director is opposed or which exceeds the votes cast against a resolution which the Investor Director has proposed

20 DIRECTORS' BORROWING POWERS

20 1 Subject as hereinafter provided, and as set out in the Investment Agreement, the Directors may exercise all the powers of the Company (whether express or implied) of borrowing or securing the payment of money, of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts, and of mortgaging or charging the undertaking, property, assets and uncalled capital of the Company and (subject to Section 551 of the Act) of issuing debentures

20.2 Except with the prior sanction of the Investor Director or, if none has been appointed, the Investors, no mortgage or charge shall be created on any part of the undertaking, property, assets or uncalled capital of the Company or any subsidiary of the Company except for the purpose of securing money borrowed from bankers together with interest thereon and costs and expenses relating thereto

21 THE SEAL

21 1 Regulation 6 of Table A shall be modified so that a certificate may either be sealed or, alternatively, signed by two officers of the Company

21 2 Regulation 101 of Table A shall be modified by the insertion of the words ", if the Company has one," after the words "The seal" at the beginning of that regulation.

22 NOTICES

22 1 Subject to the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by or to the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form; or
- (c) (by the Company) by means of a website (other than notices calling a meeting of directors),

or partly by one of these means and partly by another of these means.

- 22 2 Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 22

Notices in hard copy form

- 22 3 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (or airmail if overseas)

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company for that purpose, or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company

- 22 4 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if delivered, at the time of delivery, or
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

Notices in electronic form

- 22 5 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,
- (b) if delivered or sent by first class post (or airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 22 2, or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
 - (i) on its website from time to time; or

- (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time

22.6 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) if sent by any other electronic means as referred to in Article 22.5(c), at the time such delivery is deemed to occur under the Act

22.7 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

Notice by means of a website

22.8 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to its members under these Articles may be given, sent or supplied by the Company by making it available on the Company's website

General

22.9 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "Primary Holder") Notice so given shall constitute notice to all the joint holders.

22.10 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

23. **WINDING UP**

In Regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division"

24. **PROXIES**

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may

- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the directors may specify) in electronic form, to the

registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the general meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to any director, or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the Chairman or to any director, or at the time and place at which the poll is held to the Chairman or to any director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid

25 INDEMNITY

25 1 Subject to the provisions of, and so far as may be permitted by, the Act

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in Section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against
 - (i) any liability incurred by the director to the Company or any associated company, or
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
 - (iii) any liability incurred by the director
 - (A) in defending any criminal proceedings in which he is convicted,
 - (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in Section 234 of the Act) is given against him, or
 - (C) in connection with any application under Sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in Section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 25.1(a)(i), 25.1(a)(iii)(B) and 25.1(a)(iii)(C) applying, and

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

25.2 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks relating to his office as each Director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company