

## WRITTEN RESOLUTION OF SHAREHOLDERS

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

DESKTOP GENETICS LIMITED

(a company registered in England no. 08170120)

Circulation Date: 16 August 2013

WEDNESDAY



Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 the directors of the Company propose that the resolution below numbered 1 is hereby passed as a special resolution ("the Resolution")

### SPECIAL RESOLUTION

- 1 **THAT** the Articles of Association, attached to this resolution, be adopted as the Articles of Association of the Company to the exclusion of and in substitution for the existing Articles of Association.

Please read the notes at the end of this document before signifying your agreement to the special resolution.

We, the undersigned, being persons entitled to vote on the above resolution on the circulation date set out at the beginning of this document, hereby irrevocably agree to the resolution.

SIGNED by  
CHAIRMAN

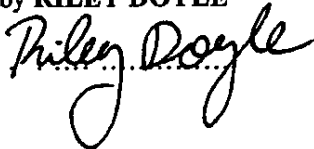
*Riley Doyle*

Dated 16 August 2013

1. If you agree to the resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand
2. If you do not agree to the resolutions you do not need to do anything, you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the resolution, you may not revoke your agreement

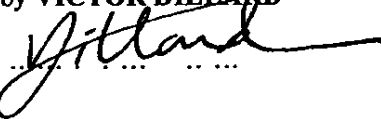
4. Unless, by 28 days from the circulation date above, sufficient agreement has been received for the resolution to pass, it will lapse. If you agree to the resolution, please ensure that your agreement reaches us before or on this date.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

Signed by **RILEY DOYLE**

Signed: 

Date: 16 August 2013

Signed by **VICTOR DILLARD**

Signed: 

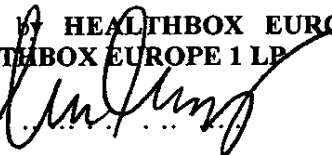
Date: 16 August 2013

Signed by **EDWARD PERELLO**

Signed: 

Date: 16 August 2013

Signed by **HEALTHBOX EUROPE 1 LLC** acting in its capacity as general partner of  
**HEALTHBOX EUROPE 1 LP**

Signed: 

Date: 19 August 2013

Company No. 08170120

**THE COMPANIES ACT 2006**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**OF**

**DESKTOP GENETICS LIMITED**

Adopted by Special Resolution dated

19 August 2013

**1. Preliminary**

1.1 In these Articles

“Act” means the Companies Act 2006

“Affiliate” means

(a) in respect of any entity any intra-group company or organisation of such entity;

(b) in relation to Boundary Capital Limited:

(i) any Member of the same Fund Group; or

(ii) any nominee(s) or custodian(s) of Boundary Capital Limited;

“Auditors” means the Company’s auditors from time to time;

“Business Day” means a day other than Saturday or Sunday or a day banks are closed for business in England

“Company Sale” means the sale of more than 50% of the issued Shares to a single purchaser (or to one or more purchasers as part of a single transaction)

“Director” means a director of the Company from time to time.

“Family Trust” means a settlement established by an Initial Shareholder or Investor provided only that any such Initial Shareholder or Investor and/or a Privileged Relation(s) is/are capable of being a beneficiary or beneficiaries thereto.

“Founder Shareholders” means Mr Doyle, Mr Dillard & Mr Perello

**"Fund Manager"** means a person whose principal business is to make, manage or advise upon investments in securities;

**"Investor"** means any or each of Boundary Capital Limited, Michael Martin, Richard Youngman, Execute Technologies Incorporated, Dr Jonathan Milner, Healthbox Europe 1 LLC (acting as general partner of Healthbox Europe 1 LP), Mr Charles-Antoine De Liedekerke and Mr. Thierry Dillard.

**"Investor Director"** means any Director appointed by an Investor or combination thereof pursuant to Article 13

**"Investor Majority"** means the consent of those Investors holding at least 60% of the Ordinary Shares held by the Investors,

**"Last Market Price"** means the cash price per Share (including any premium) at which the last allotment of Shares prior to the issue of the relevant Transfer Notice took place, excluding any Shares allotted pursuant to the Share Option Scheme.

**"Listing"** means the admission of any part of the share capital of the Company listed on a recognised investment exchange becoming effective or permission for such share capital to be dealt in on a market operated by a recognised investment exchange.

**"Member of the same Fund Group"** means, in relation to Boundary Capital Limited, being an entity whose business is managed by a Fund Manager (an **"Investment Fund"**), or a nominee of Boundary Capital Limited.

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of such 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);
- (b) any Investment Fund managed by the same Fund Manager,
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa,

**"Model Articles"** means the Model Articles For Private Companies Limited By Shares as set out in schedule 1 to the Companies (Model Articles) Regulations 2008 (as updated from time to time).

**"Non-voting Shares"** means Shares with the same rights as the Shares except that the Shareholder shall have not right to vote.

**"Privileged Relation"** means and includes the husband or wife or civil partner, widower or widow and all lineal descendants in direct line and brothers and sisters

**"Shares"** means the ordinary shares of £0.01 each in the Company from time to time.

**"Shareholders"** means any owner of Shares as registered in the Company's register of shareholders from time to time;

**"Share Option Scheme"** means any Inland Revenue approved or unapproved employee share option scheme or Enterprise Management Incentive options pursuant to Schedule 5 of the Income Tax of Earnings and Pensions Act 2003 of the Company established and amended from time to time,

**"Statutes"** means the Act and any statutory modification or re-enactment thereof for the time being in force and every other Act concerning companies and affecting the Company, and

**"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the respective meanings set out in sections 1159 and 1162 of the Act

- 1.2 Subject as hereinafter provided, the articles contained in the Model Articles shall apply to the Company
- 1.3 Articles 5, 11(2), 11(3)(a), 13, 14, 22, 26(5), 42, and 52 of the Model Articles shall not apply to the Company, but the Articles hereinafter contained and the remaining articles of the Model Articles, subject to the modifications hereinafter expressed, shall constitute the Articles of the Company.
- 1.4 Any reference to the consent or approval of an Investor shall mean:
  - 1.4.1 consent given by the Investor Director by written notice to the Company, or
  - 1.4.2 written notice to the Company signed by an Investor himself, or in the case of a corporate Investor, any director, secretary or otherwise authorized signatory of the Investor

## **2. Shares**

- 2.1 Subject to the provisions of Articles 2.3 and 2.4, the Directors may for a period of 5 years from the date of adoption of these Articles exercise the power of the Company to allot Shares or any security in respect of such Shares (within the meaning of section 551 of the Act)
- 2.2 The maximum nominal amount of share capital which or in respect of which the Directors may allot, grant options or subscription or conversion rights, create, deal or otherwise dispose of in accordance with this Article shall be the amount of £1,000 divided into 100,000 Shares of £0.01 or such other amount as shall be authorised by the Company in general meeting
- 2.3 The provisions of section 561 and 562 of the Act shall not apply to the Company.
- 2.4 Save in respect of any allotments of Shares made at the date of adoption of these Articles or to be allotted pursuant to the exercise of any options granted under the Share Option Scheme, unless a majority of the Investors otherwise agree in writing, any Shares, before they are issued, shall be offered to the existing Shareholders in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively. Such offer shall be made in writing to each such Shareholder specifying the number of Shares offered to him and the subscription price therefore and inviting him to state in writing

within such period as the Board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any, and if so what number, of Shares offered to him and whether he wishes to subscribe for Shares in excess of his entitlement and, if so, what maximum number. If applications are received from Shareholders requesting to subscribe for shares in excess of those offered to the respective Shareholder, the Shares shall be allotted to those who have accepted the offer in proportion to the number of Shares held by each applicant provided that no applicant shall be obliged to subscribe for more Shares than the number for which he has applied and so that the provisions of this article shall continue to apply mutatis mutandis until all the Shares have been allotted accordingly. Any Shares not taken up pursuant to such offer as aforesaid and any Shares which the majority of the Investors decide are released from the provisions of this Article shall be under the control of the Board who may allot, grant options over or otherwise dispose of the same to such persons on such terms and in such manner as it thinks fit provided that in the case of any Shares not disposed of pursuant to such offer as aforesaid, such Shares shall not be disposed of on terms more favourable to the subscribers therefore than the terms on which they were offered to the Company's existing Shareholders

### **3. Share Certificates**

- 3.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds
- 3.2 Every certificate must specify.
  - 3.2.1 in respect of how many Shares, of what class, it is issued,
  - 3.2.2 the nominal value of those Shares;
  - 3.2.3 that the Shares are fully paid; and
  - 3.2.4 any distinguishing numbers assigned to them
- 3.3 No certificate may be issued in respect of Shares of more than one class
- 3.4 If more than one person holds a Share, only one certificate may be issued in respect of it

### **4. Replacement Share Certificates**

- 4.1 If a certificate issued in respect of a Shareholder's shares is
  - 4.1.1 damaged or defaced; or
  - 4.1.2 said to be lost, stolen or destroyed,that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 4.2 A Shareholder exercising the right to be issued with such a replacement certificate
  - 4.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

4.2.2 must return the certificate which is to be replaced to the Company if it is damaged or defaced; and

4.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.

**5. Share Rights**

5.1 Each Ordinary Share shall have one vote

**6. Transfer of Shares**

6.1 Unless an Investor Majority otherwise agree in writing, none of the Shares of the Company shall be transferred and the Directors shall not register any transfer of any Shares of the Company except pursuant to Articles 7 to 11

**7. Transfer of Shares pursuant to a Transfer Notice**

7.1 A Shareholder (the **Selling Shareholder**) shall, before transferring or agreeing to transfer any Shares, give a notice to the Company (**Transfer Notice**) specifying

7.1.1 the number of Shares which he wishes to sell (the **Sale Shares**),

7.1.2 if the Selling Shareholder wishes to sell the Sale Shares to a third party, the name of that third party (the **Proposed Transferee**); and

7.1.3 the price (in cash) per share at which he wishes to transfer the Sale Shares (**Transfer Price**)

7.2 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn

7.3 A Transfer Notice appoints the Company the agent of the Selling Shareholder for the sale of the Sale Shares at the Transfer Price

7.4 Prior to the start of the Offer Period, the Directors may, by majority vote, reject a proposed transfer of Sale Shares at their discretion. If the Directors are unable to reach a majority decision as to whether consent should be given to the transfer of the Sale Shares, the chairman of the board of Directors shall have the deciding vote.

7.5 Subject to Article 7.4, as soon as practicable following the receipt of a Transfer Notice, the Board shall offer the Sale Shares for sale to the remaining Shareholders in the manner set out in Article 7.6. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

7.6 The Board shall offer the Sale Shares to all Shareholders other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within 28 business days of the date of the offer (**Offer Period**) for the maximum number of Sale Shares they wish to buy.

7.7 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing

Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

- 7.8 If only some of the Sale Shares are allocated in accordance with this Article, but there are applications for Sale Shares that have not been satisfied, those Sale Shares which remain unallocated shall be allocated to the Continuing Shareholder who applied for the largest number of Sale Shares during the Offer Period.
- 7.9 If, at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (**Surplus Shares**) shall be dealt with in accordance with Article 7.10
- 7.10 At the end of the Offer Period, the Selling Shareholder shall be entitled to transfer the Surplus Shares to the Proposed Transferee in accordance with the terms of the Transfer Notice.
- 7.11 For the purpose of ensuring that a transfer is in accordance with the foregoing provisions of this Article and duly authorised hereunder the Directors may require the Vendor to furnish to the Company such information and evidence as the Directors may think fit regarding any matter they deem relevant to such purpose. Pending or failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence is unsatisfactory to the Directors, the Directors shall refuse to register the transfer in question
- 7.12 A Shareholder may only issue one Transfer Notice in any given 12 month period
- 7.13 Any Shares sold pursuant to Article 7 shall be transferred by the Vendor free from any claims, equities, liens and encumbrances whatsoever and with all rights attached to the Sale Shares as at the date of service of the Transfer Notice.

## **8. Permitted Transfers**

- 8.1 Notwithstanding any other provision of these Articles an Investor may transfer any or all of their respective Shares in the Company to any Affiliate, for any reason whatsoever, provided that (except in relation to Boundary Capital Limited or its Affiliates) a Transfer Notice will be deemed to have been given if such organisation ceases to be an Affiliate of the entity which transferred some or all of its Shares pursuant to this clause
- 8.2 Any Share may be transferred without restriction as to price or otherwise by an Investor, or a Founder Shareholder who is an employee, consultant, or Director of the Company, to a Privileged Relation or to a Family Trust PROVIDED THAT:
- 8.2.1 in the event that such Founder Shareholder is required to transfer his Shares under Article 9, any Shares previously transferred to and held by such Privileged Relation or Family Trust shall also be subject to the provisions of Article 9 as if they constituted part of the Founder Shareholder's shareholding.
- 8.2.2 in the event that such Founder Shareholder's Shares are designated as Non-voting Shares under Articles 9.3 to 9.5, any Shares previously transferred to and held by such Privileged Relation or Family Trust shall also be designated as Non-voting Shares as if they constituted part of the Founder Shareholder's shareholding



9. **Compulsory Transfers**

9.1 For the purposes of Article 9 2 the term “**Protected Shares**” shall mean for each of the Founder Shareholders, their entire shareholding from time to time less seventy five (75) % which shall be deemed as “**Unprotected Shares**”;

9 2 If any Founder Shareholder ceases to be an employee and/or Director of the Company and as a consequence is no longer a director or employee of the Company (a “**Leaver**”) where

9 2 1 he is a Leaver by reason of his death or permanent incapacity due to ill health (except where such ill health arises as a result of an abuse of drink or drugs) which is certified by a qualified medical practitioner as sufficiently serious to prevent him from carrying out his normal duties, or

9 2 2 he is a Leaver by reason of retirement in accordance with his contract of employment; or

9 2 3 he is made redundant, or

9 2.4 he is dismissed from his employment with the Company in circumstances which have resulted in a successful claim against the Company for wrongful or constructive dismissal; or

9.2.5 an Investor Majority resolves that such person is to be categorized as a Good Leaver, he shall be referred to as a Good Leaver and the provisions of Article 9.3 shall apply,

he shall be referred to as a “**Good Leaver**” and the provisions of Article 9 3 shall apply.

9.3 On the date of the occurrence of any of the matters set out in Article 9 2:

9 3.1 the Good Leaver shall be entitled to retain 100% of their Protected Shares and 1/36<sup>th</sup> of their Unprotected Shares for each month of continuous service following the date of adoption of these Articles until the date of their becoming a Good Leaver, and

9 3.2 the Good Leaver shall be deemed to have given a Transfer Notice in respect of all of his Shares which he is not entitled to retain in accordance with Article 9.3.1 at fair value and “fair value” of the Sale Shares shall be as agreed by the Good Leaver and the Board or, failing agreement, as certified by the Auditors in accordance with Article 9 5.

9.4 If any Founder Shareholder becomes a Leaver and is not deemed a Good Leaver, then he shall be deemed a “**Bad Leaver**” and shall offer to transfer his Unprotected Shares to the Company at par. In addition he will have been deemed to have given a Transfer Notice in respect of a proportion of his Protected Shares (and any Unprotected Shares not taken up by the Company) at the lower of fair value as agreed by the parties or, failing agreement, as certified by the Auditor in accordance with Article 9.5 and the subscription price paid for the Sale Shares. The proportion shall be

- 9.4.1 75% if the date on which he ceases to be an employee, Director or consultant of the Company is less than 1 calendar year from the date of adoption of these Articles; or
  - 9 4 2 50% if the date on which he ceases to be an employee, Director or consultant of the Company is equal to or more than 1 calendar year from the date of adoption of these Articles but less than 2 calendar years from the date of adoption of these Articles; or
  - 9 4.3 25% if the date on which he ceases to be an employee, Director or consultant of the Company is equal to or more than 2 calendar years from the date of adoption of these Articles but less than 3 calendar years from the date of adoption of these Articles; or
  - 9 4 4 0% if the date on which he ceases to be an employee, Director or consultant of the Company is equal to or more than 3 calendar years from the date of adoption of these Articles.
- 9.5 If the Auditors are required by article 9.3.2 or 9.6 to determine the “fair value” of the Sale Shares referred to in article 9.3 2 or 9 6, the Auditors, acting as experts and not as arbitrators shall state in writing their opinion of the fair selling value of the Sale Shares on the open market having regard to the fair value of the business of the Company as a going concern and on the basis of an “arm’s length” transaction as between a willing vendor and a willing purchaser but disregarding the fact that the Sale Shares may comprise only a minority holding in the Company. The determination of the Auditors shall be final and binding on all concerned. The cost of obtaining the certificate of the Auditors shall be borne by the Company and the Good Leaver in equal proportions The Directors shall procure that a copy of the Auditor’s certificate is sent to the Good Leaver as soon as practicable after the issue thereof
- 10. Tag Along**
- 10 1 The provisions of Article 10 2 will apply, in precedence to the pre-emption procedure in Article 6 if either:
- 10.1 1 one or more Shareholders propose to transfer in one or a series of related transactions any Shares which would, if put into effect, result in any proposed purchaser (and associates of his or persons acting in concert with him) acquiring or holding a shareholding in the Company equal or greater to 50% of the issued share capital of the Company, or
  - 10.1 2 two or more Founder Shareholders propose to sell over 50% of their Shares,
- (either of these instances being referred to as a “**Proposed Transfer**”).
- 10.2 A proposed seller must before making a Proposed Transfer to which Article 10.1 applies procure the making by the proposed purchaser of an offer (the “**Offer**”) to the other Shareholders to acquire all of the Company's Shares for a consideration per Share the value of which is at least equal to the Specified Price (as defined in Article 10 7)
- 10 3 For the avoidance of doubt, the provisions of Article 10.2 shall apply
- 10 3 1 if the proposed purchaser is offering consideration other than in cash; and/or

10.3.2 if different prices are offered for different classes of Shares

10.4 The Offer must be given by written notice (a **"Proposed Sale Notice"**) at least 10 Business Days (the **"Offer Period"**) prior to the proposed sale date (**"Proposed Sale Date"**) The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the proposed purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the proposed purchaser (the **"Proposed Sale Shares"**)

10.5 If any other Shareholder is not given the rights accorded him by this Article, the proposed sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect

10.6 If the Offer is accepted by any Shareholder (an **"Accepting Shareholder"**) within the Offer Period, the completion of the proposed transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders

10.7 For the purpose of this Article:

10.7.1 the expression **"transfer"** and **"purchaser"** shall include the renunciation of a renounceable letter of allotment causing the shares to be allotted to any third party, such allotment shall be a transfer and such third party shall be a purchaser,

10.7.2 the expression **"Specified Price"** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the proposed purchaser (which in the event that the proposed purchaser has not offered cash, shall be the cash equivalent of such sum):

10.7.2.1 in the Proposed Transfer; or

10.7.2.2 in any related or previous transaction by the proposed purchaser or any person acting in concert with the proposed purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Percentage of any other consideration (in cash or otherwise) paid or payable by the proposed purchaser or any other person acting in concert with the proposed purchaser, 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 Shares;

10.7.3  $\text{Relevant Percentage} = A/B \times 100$

where:

A = number of Shares being sold by the proposed seller; and

B = number of Shares held by the proposed seller immediately before the Proposed Transfer.

10.8 If any person, following the issue of a Proposed Sale Notice, becomes a Shareholder of the Company pursuant to the exercise of a pre-existing warrant or option to acquire Shares in the Company or pursuant to the conversion of any convertible security of the Company prior to the Proposed Sale Date (a **"New Shareholder"**), a Proposed Sale Notice shall be deemed to have been served on the New Shareholder on the same terms as

the previous Proposed Sale Notice and the New Shareholder shall then have the right to accept such offer and the provisions of this Article shall apply with the necessary changes to the New Shareholder.

**11. Drag-Along**

- 11.1 If the holders of 50% or more of the Shares (the “Selling Shareholders”) wish to transfer all their interest in such Shares (the “Sellers’ Shares”) to a proposed purchaser, the Selling Shareholders shall have the option, subject to the prior approval of the Board and of the lead Investor (being the Investor holding (from time to time) the highest number of Shares) (the “Drag Along Option”) to require all the other holders of Shares (the “Called Shareholders”) to sell and transfer all their Shares to the proposed purchaser or as the proposed purchaser shall direct in accordance with the provisions of Articles 11.1 to 11.10
- 11.2 Subject to Article 11.1, the Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a “Drag Along Notice”) to the Called Shareholders at any time before the transfer of the Sellers’ Shares to the proposed purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the “Called Shares”) under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer
- 11.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers’ Shares by the Selling Shareholders to the proposed purchaser within 40 Business Days after the date of service of the Drag Along Notice
- 11.4 The consideration (in cash or otherwise) for which the Called 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 proposed purchaser for the Called Shares were distributed equally pro rata to the holders of the Called Shares and such consideration shall be in the same form as the consideration received by Selling Shareholders from such proposed purchaser unless otherwise agreed to by the Called Shareholders
- 11.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in Articles 11.1 to 11.10
- 11.6 Within five Business Days of the proposed purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the proposed purchaser or as the proposed purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the proposed purchaser, the amounts they are due pursuant to Article 11.4 to the extent the proposed purchaser has put the Company in the requisite funds. The Company’s receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 11.4 in trust for the Called Shareholders without any obligation to pay interest
- 11.7 To the extent that the proposed purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the price due pursuant to Article 11.6, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders

shall have no further rights or obligations under Articles 11.1 to 11.10 in respect of their Shares

- 11.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall be authorised to execute any necessary transfer of the Called Shareholder's Shares on the Called Shareholder's behalf to the proposed purchaser (or its nominee(s)) to the extent the proposed purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the price for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him under Article 11.4
- 11.9 Any transfer of Shares to a proposed purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 6
- 11.10 If any person, following the issue of a Drag Along Notice, becomes a Shareholder of the Company pursuant to the exercise of a pre-existing warrant or option to acquire Shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all Shares so acquired to the proposed purchaser or as the proposed purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **12. General meetings**

- 12.1 A general meeting shall be called by at least 14 clear days' notice. A general meeting can be called on shorter notice where approved by a majority in number of the Shareholders having a right to attend and vote, being a majority together holding not less than 90 per cent in nominal value of the Shares giving that right.
- 12.2 The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such
- 12.3 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all Shareholders, to all persons entitled to a Share in consequence of the death or bankruptcy of a Shareholder and to the Directors and the auditors.
- 12.4 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Shareholders representing no less than 20 per cent in nominal value of the Shares shall be a quorum for all purposes
- 12.5 The Chairman at any general meeting shall not be entitled to a second or casting vote, save as stated in Article 7.4 above

- 12.6 The accidental omission to give notice of a meeting to any Shareholder entitled to receive notice of and attend and vote at general meetings shall invalidate the proceedings at that meeting

**13. Directors**

- 13.1 The Directors shall be not less than 2 in number and not more than 9
- 13.2 The quorum for any Board meeting shall be a minimum of 2 Directors, 1 of which must be an Investor Director.

**14. Powers and duties of Directors**

- 14.1 This Article 14 is subject to the provisions of the Statutes

- 14.2 A Director may:

14.2 1 be a party to, or otherwise directly or indirectly interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested, and

14 2 2 be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise directly or indirectly interested in, any body corporate in which the Company is interested,

and where a proposed decision of the Directors is concerned with such a transaction, arrangement, office or employment, that Director may be counted as participating in the decision making process for quorum and voting purposes.

- 14 3 Article 14.2 is subject to the relevant Director making a declaration of the nature and extent of his interest in accordance with sections 177 and 184 to 187 of the Act.

- 14 4 The following shall not be treated as an 'interest':

14.4.1 an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware, or an interest in a transaction or arrangement of which he is not aware and of which it is unreasonable to expect him to be aware,

14 4.2 an interest of which the other Directors are aware, or ought reasonably be aware, to the extent they are or ought reasonably to be aware of such interest;

14 4.3 an interest which cannot reasonably be regarded as giving rise to a conflict of interest, and

14 4.4 an interest if, or to the extent that, that interest contains terms of his service contract which have been, or are to be, considered by a meeting of the Directors or a duly appointed committee of the Directors.

**15. Directors ability to authorise conflicts**

- 15 1 The Directors may authorise, to the fullest extent permitted by law, any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with

the interests of the company and which may reasonably be regarded as likely to give rise to a conflict of interests.

15.2 Authorisation given by the Directors under Article 15.1 may be subject to any terms and conditions which the Directors consider appropriate; and the Directors may at any time vary or terminate such authorisation.

15.3 A decision to authorise any matter under Article 15.1 may be made either at a meeting of the Directors or by unanimous decision of those Directors entitled to vote on the matter, but the decision will only be effective if:

15.3.1 the quorum for any meeting at which the matter is considered is met without counting the Director in question or any other interested Director, and

15.3.2 the matter is agreed to without any interested Director voting, or would have been agreed to if the interested Directors' votes had not been counted

15.4 The provisions of this Article 15 shall not apply to any conflict of interest arising in relation to a transaction or arrangement between a Director and the company. Article 14 above shall apply to Directors' interests in any such transactions or arrangements.

15.5 In the event that there are insufficient unconflicted Directors to constitute a quorum to allow the Directors to authorise the conflict pursuant to the terms of this Article 15, then the Shareholders may authorise the conflict by passing a special resolution

#### **16. Management Of Directors' Conflicts**

16.1 Where the Directors have authorised any matter under Article 15.1 above, or where a matter falls within Article 14, the Directors may, at the time of such authorisation or subsequently, provide (without limitation) that an interested Director:

16.1.1 is excluded from discussions (whether at Directors' meetings or otherwise) related to the matter;

16.1.2 is not given any documents or other information relating to the matter; or

16.1.3 both for quorum purposes and for voting purposes may or may not be counted or vote at any future Directors' meeting in relation to the matter

16.2 Where the Directors have authorised any matter under Article 15.1 above, or where a matter falls within Article 14 (subject to a Director making a declaration of the nature or extent of his interest in an office, employment, transaction or arrangement in accordance with Article 14.3), then an interested Director:

16.2.1 will not be required to disclose to the Company, or use for the benefit of the Company, any confidential information relating to the matter if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with the matter;

16.2.2 may absent himself from Directors' meetings at which the matter may be discussed, and

- 16.2.3 may make such arrangements as he thinks fit not to receive documents and information in relation the matter, or for such documents and information to be received and read by a professional adviser on behalf of that Director
- 16.3 Article 16.2 does not limit any existing law or equitable principle which may excuse the Director from disclosing information in circumstances where disclosure would otherwise be required, or from attending meetings or receiving and reading documents in circumstances where such actions would otherwise be required.
- 16 4 Where the Directors authorise a matter under Article 15.1 above, or where a matter falls within Article 14 then an interested Director
- 16.4.1 will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the matter, and
- 16 4 2 will not infringe any duty he owes to the Company under sections 171 to 177 of the Act if he complies with any terms, limits and conditions (if any) imposed by the Directors in relation to the authorisation and, where relevant, makes any disclosure required under Article 14 3
- 16.5 In relation to any matter which has been authorised under Article 14, or where a matter involves a transaction or arrangement which falls within Article 14 (subject to a Director making a declaration of the nature or extent of his interest in an office, employment, transaction or arrangement in accordance with Article 14 3)
- 16 5 1 an interested Director will not be accountable to the Company for any benefit conferred on him in connection with that matter;
- 16.5 2 the receipt of such a benefit shall not constitute a breach of his duty under section 176 of the Act, and
- 16.5 3 no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

## **17. Alternate Directors**

- 17.1 Any Director may, by giving notice in writing to the Board, appoint an alternate and may, in the same way, remove an alternate so appointed by him. An alternate shall be entitled to receive notice of all meetings of the Board and attend and vote as such at any meeting at which the Director appointing him is not personally present, and generally in the absence of his appointor to do all the things which his appointor is authorised or empowered to do A Director who is also an alternate shall be:
- 17.1.1 entitled, to the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote; and
- 17.1.2 counted as part of the quorum of the Board on his own account and in respect of the Director for whom he is the alternate
- 17.2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of signing instruments pursuant to these



Articles. A person who holds office only as an alternate Director shall, if his appointor is not present, be counted for the purposes of determining whether there is a quorum of Directors at any meeting as if he were a Director

- 17.3 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutates mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointment as such appointor may by notice in writing to the Company from time to time direct

**18. Proceedings of Directors**

- 18.1 Subject to the provisions of these Articles and to any agreement from time to time between the Shareholders, the Directors may regulate their proceedings as they think fit. A Director may, and the secretary at the request of a Director shall, call a meeting of the Directors. It shall be necessary to give notice of a meeting to a Director who is absent from the United Kingdom. The quorum for the transaction of business at any meeting of the Directors shall be 2 Directors, one of which shall be an Investor Director for so long as an Investor Director is appointed
- 18.2 The Directors may from time to time appoint committees consisting of one or more Directors and an Investor Director and may delegate any of their powers to any such committee. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors, but may meet and adjourn as it thinks proper provided that the quorum for a meeting of any committee shall throughout the meeting be at least two Directors.
- 18.3 The Chairman of each committee of the Directors shall have the casting vote in the event of a tied vote
- 18.4 All business arising at any meeting of the Directors or of any committee of the Directors shall be determined only by resolution and no such resolution shall be effective unless approved by a majority of the Directors
- 18.5 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 18.6 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or such other address as he may notify to the Company)

**19. Indemnity**

- 19.1 Subject to the provisions of, and so far as may be consistent with, the Statutes but without prejudice to any indemnity to which a Director may be otherwise entitled, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by

the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

**20. Notices and other Communications**

20.1 Any notice or other communication to be given under these Articles shall be given in writing and may either be delivered by hand or sent by first class post pre-paid recorded delivery as follows:

- (a) in the case of Shareholders to their address as registered in the register of shareholders as amended from time to time; or
- (b) in the case of the Company or the Directors to the Company's registered address from time to time

20.2 A Shareholder or the Company or Directors may change the address by serving a notice on the others.

20.3 All notices shall be deemed to have been served upon receipt or, if sent by registered or certified mail, postage prepaid, addressed to the Party at the proper address, notice shall be deemed served on the earlier of receipt or three Business Days after the envelope containing it was delivered to the carrier, provided that where such delivery occurs after 5 p.m. on a Business Day or on a day which is not a Business Day, service shall be deemed to occur at 9 a.m. on the next following Business Day

**21. Nominee Shareholdings**

To the extent that any Shares are held by nominee(s) or custodian(s) on behalf of an Investor as bare nominee(s), such Investor shall be entitled to receive all notices and exercise all rights pursuant to these Articles on behalf of such nominee(s) or custodian(s)