

REACTEC LIMITED (the "Company"

FRIDAY



Registered In Scotland Number: SC221428

Companies Acts

Written Record of Members' Written Resolution

Circulation Date: 26 January 2009

On the 27th day of January 2009, the following RESOLUTIONS IN WRITING (such Resolutions to have effect as Special and Ordinary Resolutions, as indicated) were duly passed by the requisite majority of members of the Company entitled to attend and vote at a general meeting of the Company: -

ORDINARY RESOLUTIONS

1. THAT the directors be and they are hereby permitted to authorise any conflict or potential conflict situation proposed to them under section 175(5)(a) of the Companies Act 2006 ("Act"), such authorisation to be given subject to the Act, on such terms and conditions as may be set out in the Company's Articles of Association from time to time or otherwise as the directors shall think fit.
2. THAT all authorities conferred on the directors prior to the date of passing of this resolution to allot relevant securities (as defined in section 80 of the Companies Act 1985 (as amended or re-enacted from time to time) (the "1985 Act") are hereby revoked.
3. THAT the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 80 of the 1985 Act to allot and issue up to 16,867 ordinary shares of £0.01 each on such terms and conditions as they may in their discretion think fit; declaring that this authority shall expire, unless sooner revoked or altered by the Company in general meeting, three months after the date of the resolution.
4. THAT the directors of the Company be and are hereby authorised to implement and extend the existing share option schemes (comprising, as appropriate from time to time, any Employee Management Incentive share option agreement(s) and/or unapproved share option agreement(s)) and accordingly be and are hereby generally authorised for the purposes of section 80 of the 1985 Act to allot and issue such number of relevant securities (as defined in that section) as the directors in their discretion shall see fit, but subject always to the articles of association of the Company and the following conditions:-

- (i) the directors shall be authorised to allot and issue up to 17.5% of the fully diluted equity share capital of the Company (after exercise of all options but prior to exercise of the Warrant Instrument granted in favour of Archangel Informal Investment Limited on 8 November 2006 (the "**Warrant Instrument**")) from time to time to employees of the Company (excluding Mark Paul Buckingham (the "**Executive**")) subject to the terms of the Employee Options (as defined in the articles of association of the Company to be adopted pursuant to resolution 6 below (the "**New Articles of Association**")), but declaring that such 17.5% of the fully diluted equity share capital must include any shares held by the Reactec Limited Employee Benefit Trust on behalf of the employees of the Company;
- (ii) the directors shall be authorised to allot and issue up to 30% of the fully diluted equity share capital of the Company (after exercise of all options but prior to exercise of the Warrant Instrument) from time to time to the Executive subject to the terms of the Executive Options (as defined in the New Articles of Association), but declaring that such 30% of the diluted equity share capital must include the 1,097 ordinary shares of £0.01 each held by the Executive on the date hereof;
- (iii) the directors shall be authorised to allot and issue up to 989 unissued ordinary shares of £0.01 each in the share capital of the Company on the terms set out in the option agreement(s) between the Company and Adaptive Venture Managers Limited (the "**Adaptive Option Scheme**");
- (iv) for the avoidance of doubt, the foregoing authority includes any shares covered by or issued pursuant to any options to subscribe for or convert into shares granted prior to the date hereof;


PROVIDED ALWAYS THAT the at least one of the Investors' Directors (as defined in the New Articles of Association) have approved the terms and structure of the share options or other allotments of or rights to subscribe for relevant securities granted pursuant to the foregoing authorities after the date hereof; and

PROVIDED ALWAYS THAT the authorities set out in this resolution 4 shall expire, unless sooner revoked or altered by the Company in general meeting, five years after the date hereof, and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

5. THAT the directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 80 of the 1985 Act to allot and issue up to 1% of the fully diluted share capital of the Company in accordance with the terms of the Warrant Instrument; declaring that this authority shall expire, unless sooner revoked or altered by the Company in general meeting, five years after the date of the resolution.

SPECIAL RESOLUTIONS

6. THAT all rights of pre-emption whether in terms of the Articles of Association of the Company or the Act or otherwise be and are hereby waived in respect of any allotment of shares made pursuant to the immediately preceding resolutions.
7. THAT the document attached be adopted as the new Articles of Association of the Company, in place of and to the exclusion of all other Articles of Association.



**AUTHORISED SIGNATORY
FOR AND ON BEHALF OF
REACTEC LIMITED**

Dated

ARTICLES of ASSOCIATION

REACTEC LIMITED

(Registered Number SC221428)

(ADOPTED 27 JANUARY 2009)


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A handwritten signature in black ink, consisting of stylized initials and a long horizontal stroke extending to the right.

ARTICLES OF ASSOCIATION
of
REACTEC LIMITED
(Registered Number SC221428)
A PRIVATE LIMITED COMPANY
(ADOPTED 27 JANUARY 2009)

DEFINITIONS AND INTERPRETATION

1. In these Articles:

1.1 The words and expressions below shall have the following meanings unless the context requires otherwise:

"the Act"	means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;
"Acting in Concert"	shall have the meaning given to it in the City Code on Takeovers and Mergers from time to time;
"Adaptive Option"	means the options over up to 989 ordinary shares of £0.01 each in favour of Adaptive Venture Managers Ltd pursuant to, and subject to the terms of, the Investment Agreement and any option agreement(s) established or entered into by the Company in respect of such options (including, for the avoidance of doubt, any shares pursuant to any options to subscribe for or convert into shares granted prior to the date hereof, but excluding the 482 ordinary shares of £0.01 each held by them as at the date hereof);
"Approved Issue"	means the issue by the Company of shares pursuant to and in accordance with the terms of (i) the Warrant Instrument; (ii) the Adaptive Option; (iii) the Employee Options and (iv) the Executive Options, all pursuant to, and subject to the terms of, the Investment Agreement and

	any option agreements established or to be entered into by the Company in respect of such options;
"Archangel"	means Archangel Informal Investment Limited, incorporated under the Act in Scotland with registered number SC209206 and having its registered office at 5th Floor, 7 Castle Street, Edinburgh, EH2 3AH;
"Archangel Member"	means any member of Archangel from time to time (and for these purposes, a member means a member of Archangel as a company limited by guarantee and/or a person who is recognised by Archangel as being a member of its investment syndicate);
"Articles"	means these articles of association constituted by the following regulations together with any duly authorised amendments or alterations from time to time, and the term "Article" shall be a reference to a regulation contained in these Articles;
"Associated Company"	shall have the meaning given to it in the Act;
"Auditors"	means the Auditors of the Company from time to time; unless auditors are not required pursuant to the Act and have not been appointed, in which case such reference shall instead mean the accountants of the Company from time to time;
"Authorised Amount"	means £1,000 divided into 100,000 Ordinary shares of £0.01 each;
"Bad Leaver"	means a person who ceases (i) employment with the Company or any Group Member of the Company or (ii) holding the office of Director or consultant of the Company or any Group Member of the Company other than by reason of:- <ul style="list-style-type: none"> (a) wrongful dismissal of the employee by the Company or a Group Member of the Company (as the case may be) or the wrongful termination of the contract for the provision of services of the consultant or the non-renewal of the said consultancy contract at the end of its term at the instance of the Company or a Group Member of the Company; (b) the employee leaving employment for reasons of ill health or disability as certified to the Board's reasonable satisfaction by an independent doctor or where the death

or long term illness or disability of a spouse, long term partner or child of the employee makes it reasonably necessary for the employee to provide care for himself or herself to that spouse, partner or child;

- (c) the unfair dismissal of the employee;
- (d) the dismissal of the employee by reason of redundancy;
- (e) the death of the employee or the Director or the consultant (as the case may be);
- (f) the retirement of the employee, Director or consultant at the normal retirement of 65 years of age (or such other as is mutually agreed between the Company or any Group Member of the Company and the Director/employee/consultant (as the case may be));
- (g) the removal of a Director and employee as Director in circumstances where simultaneous dismissal as an employee would fall within the categories in paragraphs (a) or (c) above;
- (h) where such cessation occurs after the third anniversary of the date of commencement of employment or holding of office or of 8 November 2006 (whichever is later), except where such cessation occurs in circumstances justifying summary dismissal of an employee (including without limitation gross misconduct or dishonesty);

"Board"

means the board of Directors of the Company from time to time (including the Investors Directors (if any));

"Circulation Date"

means the earliest date on which a proposed written resolution is communicated in hard copy or electronic form (including without limitation by electronic mail or by publication on a website) to every eligible member who is entitled to receive such communication;

"Company"

means Reactec Limited, a company incorporated under the Companies Acts 1985, registered in Scotland under number SC221428 and having its registered office at 5 Leamington Terrace, Edinburgh, EH10 4JW;

"Compulsory Transferor"

means a member required to transfer his shares in accordance with Article 13.1 and "Compulsory Transfer" shall be construed accordingly;

"Control Percentage"	means 50% or more of the issued share capital;
"Deemed Transfer Notice"	shall have the meaning given to it in Article 13.1;
"Director"	means a director of the Company or any alternate director duly appointed in accordance with these Articles;
"Employee Benefit Trust"	means the Reactec employee benefits trust constituted in terms of the deed of trust adopted by resolution of the directors of the Company and signed on 26 March 2004;
"Employee Investment Shares"	means the respective Ordinary Shares acquired by each of the Employee Investors on 15 August 2008 and/or on or around 27 January 2009 for so long as such Ordinary Shares are held by the relevant Employee Investors (or their respective Privileged Relations);
"Employee Investors"	means Anne Ambler, Eleanor Claire Barnard, John Paul McKeown, Stephen Dickson, Lee Wood, Barry Carruthers, Donald Black, Brett Marmo, Graeme Towers and Chris Eccles;
"Employee Options"	means the options over up to 10,635 ordinary shares of £0.01 each in favour of any employees of the Company (excluding the Executive) pursuant to any EMI share option scheme or EMI share option agreement established by the Company (including, for the avoidance of doubt, any shares pursuant to any options to subscribe for or convert into shares granted prior to the date hereof, but excluding for the avoidance of doubt the 416 ordinary shares of £0.01 each held by the Employee Benefit Trust and specifically excluding any shares held by employees of the Company as at the date hereof);
"ETF"	means Edinburgh Technology Fund Ltd registered in Scotland under company number SC92426 and having its registered office at Roslin Biocentre, Roslin, Midlothian, EH25 9PP;
"Executive Options"	means the options over up to 17,848 ordinary shares of £0.01 each in favour of the Executive (including, for the avoidance of doubt, any shares pursuant to any options to subscribe for or convert into shares granted prior to the date hereof, but excluding the 1,097 ordinary shares of £0.01 each held by the Executive as at the

	date hereof);
"Executive"	means Mr Buckingham;
"Group Member"	means any holding company, subsidiary company, wholly-owned subsidiary company or a parent company, in each case as defined in the Act;
"Investment Agreement"	means the Round Two Investment Agreement amongst the Company, the Executives, the New Investors, the Consenting Shareholders and Archangel Informal Investment Limited (all as defined therein) dated 3, 8 and 10 November 2006, as amended by the R3 Subscription Agreement and the R4 Subscription Agreement;
"Investors"	shall have the same meaning as given to it in the Investment Agreement;
"Investors' Directors"	shall have the same meaning as given to it in the Investment Agreement;
"member"	means a person registered as a member in the register of members of the Company;
"Mr Buckingham"	means Mark Paul Buckingham of 4F2, 30 Roseneath Terrace, Edinburgh, EH9 1JW;
"Mr Kent"	means Timothy Kent of 11 (1f) Royal Circus, Edinburgh, EH3 6TL;
"Privileged Relation"	means the spouse, widow, civil partner, surviving civil partner, grandparents, parents or siblings of the relevant person and the relevant person's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the relevant person's children ("family members"), any trust established for the benefit of the relevant person or his family members, or any charitable trust established by the relevant person and/or by his family members;
"Qualifying Majority"	means 75%;
"R3 Subscription Agreement"	means the supplemental subscription agreement between the Company, the Executives, the Further Investors, the Employee Investors, the Consenting Investors (all as defined therein) and others dated on or around 15 August 2008;
"R4 Subscription"	means the supplementary subscription

"Agreement"	agreement between the Company, the Executive, the Further Investors, the New Investors, and others (all as defined therein) dated on or around the date of adoption of these Articles;
"Regulation"	means a regulation contained in Table A;
"Scottish Enterprise"	means Scottish Enterprise, established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at 150 Broomielaw, 5 Atlantic Quay, Glasgow, G2 8LU;
"Scottish Enterprise Group"	means Scottish Enterprise, any subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise or any subsidiary of such company, corporation or body and any other body to which the statutory functions of Scottish Enterprise have been delegated or a Scottish Enterprise Successor and the expression "member of the Scottish Enterprise Group" shall be construed accordingly;
"Scottish Enterprise Successor"	means any party succeeding in whole or in part to the interest of Scottish Enterprise;
"share"	means any share forming part of the share capital of the Company;
"Table A"	means Table A of the Companies (Tables A to F) Regulations 1985, SI1985/805 (as amended, including without limitation by the Companies (Tables A to F) (Amendment) Regulations 2007, SI 2007/2541, the Companies (Tables A to F) (Amendment) (No. 2) Regulations 2007 (SI 2007/2826) and any subsequent amendment from time to time);
"Total Transfer Condition"	shall have the meaning given to it in Article 12.2;
"Valuer"	means the Auditors unless they decline to act and in such an instance the valuer shall instead be appointed by the President for the time being of the Institute of Chartered Accountants of Scotland; and
"Warrant Instrument"	means the warrant instrument entered into between the Company and Archangel on 3 and 8 November 2006 as varied by a letter (dated at or around the date of adoption of these Articles)

from the Company and accepted by Archangel.

- 1.2 Words importing the singular include the plural and vice versa.
- 1.3 Words importing a particular gender include any gender.
- 1.4 References to a "person" include any natural person, or any legal person, body or organisation, incorporated or unincorporated.
- 1.5 The headings in these Articles are for convenience only and shall not affect the construction of these Articles.
- 1.6 Words and expressions defined in the Act shall bear the same meanings in these Articles.
- 1.7 Unless provision is made to the contrary, references to any statute or statutory provision includes a reference to:
 - 1.7.1 that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated whether before or after the date of adoption of these Articles; and
 - 1.7.2 all statutory instruments or orders made pursuant to it.
- 1.8 All references in these Articles to Sections or Sub-sections of the Act shall unless clearly stated to the contrary refer to the section or sub-section numbers of the Companies Act 1985. References in these Articles to such sections and sub-sections of the Companies Act 1985 in the event that such sections or sub-sections are modified, re-enacted or repealed by the Companies Act 2006 (and any subordinate legislation) shall be construed as referring instead to the corresponding provision in the Companies Act 2006 (or subordinate legislation).
- 1.9 References to the phrase "Privileged Relations" shall save for the references in Article 1.1 and Article 11.5.4 respectively, be deemed to include the phrase "and/or Group Member".
- 1.10 References to the phrase "Privileged Relations" in Articles 12 and 13 in connection with a Compulsory Transfer shall be deemed to be restricted to those Privileged Relations of a Compulsory Transferor who acquired shares in the Company from such Compulsory Transferor.

TABLE A

- 2. The Regulations contained in Table A shall apply to the Company except in so far as they are excluded or varied by or are inconsistent with these Articles.
- 3. Regulations 5, 8, 24, 26, 41, 59, 64, 73 to 80 (inclusive), 89, 90, 94 to 97 (inclusive) and 101 shall not apply to the Company.
- 4. The following amendments shall be made to the Regulations in so far as they apply to the Company:

- 4.1 in Regulation 6, by the deletion of the phrase: "sealed with the seal" in the second sentence, and by the substitution, in its place, of the phrase: "executed in accordance with the Act or the Requirements of Writing (Scotland) Act 1995";
- 4.2 in Regulation 46, by the deletion of the second sentence which comprises the whole of the remainder of that Regulation and by the substitution, in its place, of the following sentence:
- "A poll may be demanded at any general meeting or at any meeting of a class of members by the chairman or by any member entitled to vote at that meeting, present in person, or by any member's proxy or attorney, or if a corporation, by its duly authorised representative"; and
- 4.3 in Regulation 112, by the deletion of the first sentence and by the substitution, in its place, of the following sentences:
- "Any notice required or permitted to be given by the Company to a member shall be sufficiently given to that member if sent in a legible form by facsimile transmission ("fax"), first class or express registered post ("post"), or by personal delivery, including courier delivery, to the registered address of the member or by electronic mail ("e-mail") to the e-mail address of the member notified to the Company. For the avoidance of doubt and notwithstanding the foregoing, notice shall not be validly served if sent to Scottish Enterprise by fax. Any notice to be served on Scottish Enterprise shall require to be addressed to "The Head of the Scottish Co-Investment Fund."
- 4.4 in Regulation 115, by the deletion of the second sentence and by the substitution, in its place, of the following sentences:
- "A notice shall be deemed to have been received: (i) in the case of fax, a successful transmission report is generated during that or the next Working Day; (ii) in the case of post, thirty-six hours from midnight (00.00 hrs) on the date of posting, postage prepaid, evidenced by the relevant proof of posting; (iii) in the case of airmail, on the seventh Working Day following mailing, if mailed by airmail, postage prepaid, evidenced by the relevant proof of posting, or (iv) in the case of personal delivery, thirty minutes after the time of delivery, evidenced, where appropriate, by the courier's receipt duly counter-signed for or on behalf of the addressee and (v) in the case of e-mail, when a successful delivery receipt is generated during that or the next Working Day. Where the deemed day of receipt of a notice is not a "Working Day" (which means any day from Monday to Friday inclusive which is not a local, public or statutory holiday) or where deemed receipt occurs at the place of delivery on a Working Day but after 1800hrs, that notice shall be deemed to have been received at 0930hrs on the next Working Day."

SHARE CAPITAL

5. The authorised share capital of the Company as at the date of adoption of these Articles consists of the Authorised Amount.
6. The Company may at its sole discretion recognise and record the holding of a share by a person on trust, or in the names of trustees, but unless specifically recognised by the Company as such a holding, the Company shall not be bound by, or obliged to

recognise, any interest in any share except for the absolute rights of the holder named in the register of members.

7. Subject to the Investment Agreement and any Approved Issue, any shares of the Company for the time being unissued and any new shares from time to time to be created shall be offered to existing members in strict proportion to the number of shares held by them at that time. The offer shall be made by notice to each member specifying the number of shares offered and stating a period (not being less than 21 days) within which the offer if not accepted by notice to the Company shall be deemed to be declined. Following expiry of such period or receipt of notice of the acceptance or refusal of every offer made hereunder the Directors may dispose of any shares not accepted by the members in such manner as they think most beneficial to the Company provided that such shares shall not be disposed of on terms which are more favourable to the allottee than the terms on which they were offered to the members hereunder.
8. THIS ARTICLE IS INTENTIONALLY LEFT BLANK.
9. Pursuant to the Act, all statutory rights of pre-emption shall be excluded from applying to the Company.

LIEN

10. The Company shall have a first and paramount lien on every share for all moneys, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person, whether solely or jointly with others, for all moneys owing to the Company from that person, or that person's estate, either alone or jointly with any other person, whether as a member, or not, and whether such moneys are presently payable or not. The Directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article.

TRANSFER OF SHARES

11. 11.1 Save in respect of a transfer complying with one or more of the conditions specified in Article 11.5, no transfer of any share shall be registered unless it is first approved by the Directors.
- 11.2 The Directors may refuse to register the transfer of a share:
 - 11.2.1 which is not fully paid to a person of whom they do not approve;
and/or
 - 11.2.2 upon which the Company has a lien.
- 11.3 The Directors shall refuse to register the transfer of a share except a transfer complying with one or more of the conditions specified in Article 11.5.
- 11.4 Subject only to:
 - 11.4.1 Articles 11.2, 14 and 16; and
 - 11.4.2 the presentation of such evidence as the Directors may reasonably require to show the right of a transferor to make the transfer;

a transfer complying with one or more of the conditions specified in Article 11.5 shall be registered by the Directors.

11.5 The following are the conditions specified in Articles 11.1, 11.3 and 11.4:

11.5.1 a transfer of a share made with the prior written consent of the holders of 80% by nominal share value of the shares in the share capital of the Company for the time being, other than the transferor;

11.5.2 a transfer of a share pursuant to Article 12;

11.5.3 a transfer of a share pursuant to Article 13;

11.5.4 a transfer or transmission of a share by any Investor, who is an individual, to a Privileged Relation;

11.5.5 a transfer or transmission of a share by any Investor, which is a company to a Group Member of that company, subject to the obligation on any such corporate transferee (other than a member of the Scottish Enterprise Group) to retransfer any such share to the original transferor in the event that the corporate transferee ceases to be a Group Member of such Investor;

11.5.6 a transfer or transmission of a share by Scottish Enterprise to any member of the Scottish Enterprise Group, subject to the obligation on any such transferee to retransfer any such share to Scottish Enterprise (or the Scottish Enterprise Successor) in the event that the transferee ceases to be a member of the Scottish Enterprise Group;

11.5.7 a transfer or transmission of all of its shares by ETF to either a Group Member or to the University of Edinburgh, subject to the obligation on any such corporate transferee to retransfer any such shares to the original transferor in the event that the corporate transferee ceases to be a Group Member; declaring for the avoidance of doubt that there shall be no obligation to retransfer shares back to ETF from the University of Edinburgh in the event that ETF ceases to be under the control of the University of Edinburgh;

11.5.8 a transfer or transmission of a share by Mr Buckingham or Mr Kent to a Privileged Relation provided that in this instance any such transfer is conditional upon the transferor remaining the holder of at least one Ordinary Share thereafter;

11.5.9 a transfer or transmission of a share by the Employee Benefit Trust to an employee of the Company (other than the Executive);

11.5.10 a transfer or transmission of any Employee Investment Shares by an Employee Investor to a Privileged Relation;

11.5.11 a transfer or transmission of a share by an Archangel Member made in favour of any other Archangel Member.

12. 12.1 Except in the case of a transfer expressly authorised by Article 11.5 or any Approved Issue, no person shall be entitled to dispose of any interest in any

shares without first offering such shares for transfer to the holders of other shares in the Company. The offer shall be made by the proposing transferor(s) (the "Transferor") by notice in writing to the Company (a "Transfer Notice") and may be in respect of all or some only of the shares held by the Transferor (the "Offer Shares"); provided that a Deemed Transfer Notice must be in respect of all shares held by the Transferor and his Privileged Relations.

- 12.2 The Transfer Notice shall specify the Offer Shares and the price at which they are offered for sale (the "Suggested Price") and shall constitute the Directors as the agents of the Transferor and his Privileged Relations (if appropriate) for the sale of the Offer Shares (a) to other holders of shares in the Company and, failing which, (b) to the Company, in accordance with this Article 12. A Transfer Notice, other than a Deemed Transfer Notice, may contain a provision that unless all the Offer Shares are sold under this Article, none shall be sold (a "Total Transfer Condition"). A Transfer Notice may not be revoked unless (i) it contains a Total Transfer Condition, or (ii) all the members of the Company (other than the Transferor and his Privileged Relations) agree in writing that it may be revoked, or (iii) permitted in terms of Article 12.6.
- 12.3 Within 7 days after a Transfer Notice is received by the Company, the Directors shall give notice to all the holders of shares in the Company (other than the Transferor and his Privileged Relations) of the number and description of the Offer Shares and the Suggested Price, inviting each such holder to notify the Company within 21 days (a) if he requires the Offer Shares to be valued (such notification being a "Valuation Notice") and (b) if he does not so require whether he is willing to purchase any and, if so, what maximum number, of Offer Shares at the Suggested Price.
- 12.4 If on or before the expiry of the 21 day period referred to in Article 12.3 the Directors shall receive a Valuation Notice requesting a valuation then the Directors shall instruct a Valuer to determine the fair value of the Offer Shares in accordance with Article 12.5, acting as an expert and not an arbiter, and to produce a certificate stating such value (a "Certificate of Fair Value") within 14 days of being instructed to do so.
- 12.5 The fair value of the Offer Shares ("the Fair Value") shall be calculated on the basis of the value of the whole Company on a going concern basis as between a willing seller and a willing buyer, with no reduction or other account being taken of the proportion which the Offer Shares bear to the total number of shares in issue, or shares of the same class as the Offer Shares in issue or any restrictions on the ability to transfer the Offer Shares. The Fair Value of each Offer Share shall be calculated by dividing the Fair Value of all the Offer Shares by the total number of the Offer Shares.
- 12.6 Within 7 days of receipt by the Directors of the Certificate of Fair Value, the Directors shall send a copy thereof to the Transferor; declaring that (i) the Transferor (provided the Transferor is not a Compulsory Transferor, as defined in Article 13) shall be entitled to revoke the Transfer Notice by notice in writing to the Directors within 7 days from the date of service upon the Transferor of such copy; and (ii) where the Transferor is a Compulsory Transferor (as defined in Article 13), the Compulsory Transferor shall be entitled within 7 days from the date of service upon the Compulsory Transferor of such copy to notify the Company that the Compulsory

Transferor objects to the calculation of the Fair Value (where it has been calculated by the Auditors acting as "the Valuer") whereupon the Company shall immediately refer the matter to the President for the time being of the Institute of Chartered Accountants of Scotland with a request to nominate forthwith an independent valuer to calculate the Fair Value within 14 days of being instructed to do so (in accordance with Article 12.5) and the decision of such independently nominated valuer shall be final and binding on all parties concerned and the costs of the said valuer shall be borne by the Compulsory Transferor alone.

- 12.7 The cost of obtaining a Certificate of Fair Value shall be borne by the Company, unless (i) the Transferor revokes the Transfer Notice in accordance with Article 12.6 in which case the Transferor shall bear such cost or (ii) the Compulsory Transferor notifies the Company that the Compulsory Transferor objects to the calculation of the Fair Value in accordance with Article 12.6 in which case the Compulsory Transferor shall bear such cost.
- 12.8 If (i) the Transfer Notice is not revoked by the Transferor in accordance with Article 12.6 or (ii) in the case of a Compulsory Transferor, as soon as reasonably practicable following any decision by an independently nominated valuer appointed in accordance with Article 12.6, in each case the Directors shall give notice to all the holders of shares in the Company (other than the Transferor and, in the case of a Compulsory Transfer, the Privileged Relations of the Transferor) of (a) the Fair Value as calculated by such independently nominated valuer pursuant to Article 12.6, or (b) in the event that such valuation is not required pursuant to Article 12.6, the lower of (i) the Suggested Price and (ii) the Fair Value as determined by the Valuer (the "Purchase Price"), and in each case the number and description of the Offer Shares, inviting each such holder to notify the Company within 14 days whether he is willing to purchase any and, if so, what maximum number, of Offer Shares at the Purchase Price.
- 12.9 On the expiry of the 21 day period referred to in Article 12.3 or if a Certificate of Fair Value has been obtained the expiry of the 14 day period referred to in Article 12.8, the Directors shall allocate the Offer Shares to those members who have applied to purchase the Offer Shares, and in the event of competition amongst members such allocation shall be in accordance with Article 12.10. If the Transfer Notice contains a Total Transfer Condition, no allocation of the Offer Shares shall be made under this Article 12.9 or Article 12.10 unless as a result of such allocation combined with the purchase of Offer Shares by the Company pursuant to Article 12.14.1 (if any), all the Offer Shares will be sold.
- 12.10 If the aggregate number of Offer Shares for which members have applied exceeds the number of Offer Shares available, priority shall be given to those members holding shares of the same class as the Offer Shares, and the allocation shall be made so far as practicable in proportion to the nominal amount of the share capital of that class held by each of those members but shall not in the case of any member exceed the number of Offer Shares for which he has applied. Thereafter, any Offer Shares remaining unallocated shall be allocated amongst the holders of other classes of shares so far as practicable in proportion to the nominal amount of share capital of the Company held by each of those members but shall not in the case of any member exceed the number of Offer Shares for which he has applied.

- 12.11 On the allocation being made, the Directors shall give details of the allocation in writing to the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor and to each member who has stated his willingness to purchase and, on the seventh day after such details are given, the members to whom the allocation has been made shall be bound to pay the Purchase Price for, and to accept a transfer of, the Offer Shares allocated to them respectively and the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor shall be bound, on payment of the Purchase Price, to transfer the Offer Shares to the respective purchasers.
- 12.12 If in any case a Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor after having become bound to transfer any shares to a purchaser, shall make default in transferring the Offer Shares, the Directors may authorise any Director to execute on behalf of and as attorney for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any necessary transfers and may receive the Purchase Price and shall thereupon cause the name of the purchaser to be entered in the register as the holder of the Offer Shares and hold the Purchase Price in trust for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor. The receipt of the Directors for the Purchase Price shall be a good discharge to the purchaser and after the name of the purchaser has been entered in the register of members of the Company the validity of the transfer to the purchaser may not be questioned by the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor.
- 12.13 Where more than one member has stated his willingness to purchase Offer Shares and through no default of the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor such purchase is not duly completed, the Directors shall forthwith notify all the other members who have stated their willingness to purchase Offer Shares and if, within seven days of such notice being given, those other members shall not between them duly complete the purchase of the Offer Shares in respect of which there has been default in completion, the provisions of Article 12.14 shall apply.
- 12.14
- 12.14.1 Following the expiry of (i) the 21 day period referred to in Article 12.3 or (ii) if a Certificate of Fair Value has been obtained, the 14 day period referred to in Article 12.8 (in either case the "Relevant Expiry Date") if any of the Offer Shares have not been allocated under Article 12.9 or 12.10, the Directors may within 7 days of the Relevant Expiry Date determine that the Company shall, if it is permitted to do so under the Act, attempt to purchase some or all of the Offer Shares itself at the Purchase Price.
- 12.14.2 The Directors shall have a period of 60 days from the date of any such determination to (i) obtain from the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any necessary consents and authorities including any required under the Act for any such purchase by the Company and (ii) to complete any such purchase.

- 12.14.3 In the event that a Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor either (i) refuses to sign any document necessary to enable the purchase of some or all of the Offer Shares by the Company or (ii) fails to respond to the Directors within 14 days of any such request (in accordance with Article 12.14.2), the Directors may authorise any Director to execute on behalf of and as attorney for the Transferor and in relation to a Compulsory Transfer, the Privileged Relations of the Transferor any such document and may receive the Purchase Price and hold the Purchase Price in trust for the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor; provided that if the Transfer Notice contains a Total Transfer Condition the Directors may only so authorise any Director if all the Offer Shares will as a result be sold.
- 12.14.4 The receipt by the Directors of the Purchase Price shall be a good discharge to the Company and after the Offer Shares purchased by the Company have been cancelled, the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor may not question the validity of the purchase.
- 12.15 If either (i) the Directors do not (a) by the close of business on the last day of the 7 day period referred to in Article 12.14.1, make a determination that the Company shall, if it is permitted to do so under the Act, purchase some or all of the Offer Shares at the Purchase Price; or (ii) having made such a determination the Company shall not complete a purchase of the Offer Shares by (b) the close of business on the last day of the 60 day period referred to in Article 12.14.2 ((a) or (b) (as the case may be) being known as the "Buy-Back Expiry Date"), then the Transferor and, in relation to a Compulsory Transfer, the Privileged Relations of the Transferor may at any time within a period of 30 days from the occurrence of the relevant Buy-Back Expiry Date, transfer the Offer Shares not allocated to other members of the Company to any person at the Purchase Price provided that if the Transfer Notice contains a Total Transfer Condition the Transferor shall be entitled to transfer all but not some only of the Offer Shares.
- 12.16 The holders of any shares which are the subject of a Deemed Transfer Notice or Compulsory Transfer shall be entitled to receive notice of and to attend general meetings of the Company but shall have no right to vote thereat in respect of the Offer Shares which are the subject of a Deemed Transfer Notice or Compulsory Transfer or participate in any other offer round of shares pursuant to a compulsory transfer of shares under this Article 12 applying to any other shareholder until such time as those Offer Shares are transferred to another person in accordance with the provisions of this Article 12.

EMPLOYEE ETC SHAREHOLDERS

13.

- 13.1 Where any of the following events occurs in relation to a member, the member in question shall be deemed to have immediately given a Transfer Notice (a "Deemed Transfer Notice") in respect of all the shares as then

registered in the name of such member and all of the shares as then beneficially owned or controlled by that member and his Privileged Relations (but only where such Privileged Relations acquired the relevant shares from such member) and the provisions of Article 12 regarding Deemed Transfer Notices shall apply:-

13.1.1 In relation to a member being an individual:-

- (a) such member is adjudicated bankrupt; or
- (b) such member is suffering from a mental disorder as referred to in paragraph (c) of Regulation 81 of Table A; or
- (c) such member ceases to be a director and/or employee and/or consultant of the Company or of any Group Member of the Company where such member does not remain acting in any other of such capacities in relation to the Company or any such Group Member (as an employee, Director or consultant);

13.1.2 In relation to a member being a body corporate:-

- (a) a receiver, manager or administrative receiver is appointed in respect of such member or over all or any part of its undertaking or its assets; or
- (b) such member enters into liquidation (other than a voluntary liquidation for the purposes of a bona fide scheme of solvent amalgamation or reconstruction); or
- (c) such member ceases to be controlled (as defined by Section 416 of the Income and Corporation Taxes Act 1988) by the person(s) who controlled such member on the date on which it became the member of the Company or the date of adoption of these Articles (whichever is later).

13.2 The Suggested Price applicable to the transfers under Article 13.1 shall be calculated as follows:-

13.2.1 where the event giving rise to the Deemed Transfer Notice is the event referred to in Article 13.1.1 (c) and such member is a Bad Leaver, the Suggested Price shall be the lower of (i) par value of the shares and (ii) the Fair Value; and

13.2.2 in all other circumstances, the Suggested Price shall be the Fair Value.

13.3 The Directors shall immediately instruct a Valuer to determine the Fair Value in accordance with Articles 12.4 and 12.5 and to produce a certificate stating such value (a "Certificate of Fair Value") and Articles 12.6 to 12.14 and Article 12.16 shall then apply.

13.4 The price to be received for the sale of the shares by the Compulsory Transferor and the Privileged Relations of the Compulsory Transferor in accordance with the provisions of this Article 13 shall be allocated to the Compulsory Transferor and his Privileged Relations in proportion to the number of shares held by the Compulsory Transferor and his Privileged Relations.

13.5 Any obligation to transfer a share under the provisions of this Article 13 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

- 13.6 Where a former employee, consultant, Director or officer of the Company (or a Group Member of the Company) (a "Former Worker") acquires shares after cessation of such employment, consultancy or appointment by exercising an option or warrant which was granted to such Former Worker while he was an employee, consultant, Director or officer of the Company (or a Group Member of the Company, as appropriate), or where a personal representative or executor of a Former Worker acquires shares in such manner, then this Article 13 shall apply such that:-
- 13.6.1 the Former Worker (or his personal representative or executor) in question shall be deemed to have given a Deemed Transfer Notice in respect of such shares on the date of issue of such shares; and
- 13.6.2 where the Former Worker was a Bad Leaver, the Suggested Price shall be the lower of (i) the par value of the shares and (ii) the Fair Value; and in all other instances the Suggested Price shall be Fair Value.
- 13.7 Articles 13.1 to 13.6 shall not apply to the Investors or to ETF or to the University of Edinburgh (or any transferee thereof under Article 11.5.4, 11.5.5, 11.5.6, 11.5.7 or 11.5.11) or any Investors' Directors.
- 13.8 Notwithstanding the foregoing, Articles 13.1 to 13.6 shall not apply to any Employee Investment Shares.
- 13.9 The provisions of this Article 13 may be waived in whole or in part in any particular case with the prior written consent of 75% of the holders of shares in the Company (excluding the Employee Investors and excluding the member(s) whose shares are subject of a Deemed Transfer Notice).
- 13.10 All voting rights attached to any shares which are the subject of a Deemed Transfer Notice shall be suspended forthwith until such time as (i) the transfer of those shares is completed (being, for the avoidance of doubt, the registration of the transferee's name in the register of members in respect of those shares) in accordance with these Articles or (ii) the provisions of Article 13 are waived in respect of such Deemed Transfer Notice in accordance with Article 13.9.

LIMITATION ON CHANGE OF CONTROL – TAG ALONG RIGHTS

14. Notwithstanding any other Article, no sale or transfer (other than a sale or transfer permitted by Article 11.5) of any shares ("the Specified Shares") to any person not being a member of the Company as at the date of adoption of these Articles which would result if made and registered in that person taken together with any persons Acting in Concert with that person obtaining an interest in the Control Percentage or more of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all General Meetings shall be made or registered without the previous written consent of all of the members of the Company (other than the Transferor) unless before the transfer is lodged for registration the proposed transferee or his nominees (i) makes an offer (stipulated to be open for acceptance for at least 28 days) to such other members (the "Uncommitted Members") to purchase all the other shares at the Specified Price (as defined in Article 15), and (ii) in respect of any such Uncommitted

Members who accept the said offer, the Specified Price is paid to each of them in full at completion of the transfer by the proposed transferee or his nominee. An Uncommitted Member who fails to accept any such offer within the period limited for acceptance shall be deemed to have rejected it.

15. In Article 14, the expression "the Specified Price" shall mean a price per share (in cash or otherwise) being not less than the Fair Value (as defined in Article 12.5) and at least pari passu to the value of the consideration offered by the proposed transferee or transferees or any third party (as the case may be) or his or their nominees for the Specified Shares to the holder(s) thereof (and/or any member of the same group (as defined below) of the holder(s) thereof) received or receivable by the holder(s) of the Specified Shares or any member of the same group of the said holder(s) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the consideration for the Specified Shares including, without limitation, any increase in salary, any bonus or termination payment. The Specified Price in respect of a particular share shall take into account any differences in class rights between it and any other share including, without limitation, any Specified Share. In the event of a disagreement the calculation of the Specified Price shall be referred to an expert (acting as expert and not as arbiter and whose decision shall be final and binding) nominated by and acting at the expense of all the members of the Company (in proportion to their respective shareholdings) or (in the event of disagreement as to nomination) appointed by the President for the time being of the Institute of Chartered Accountants of Scotland; provided that such expert may only be the Auditors, or a partner, director, consultant, or employee of the Auditors, unless either (i) the Auditors, or a partner, director, consultant, or employee of the Auditors (as the case may be) declines to act, or (ii) if at least 85% by value of the members of the Company so agree in writing. The expression "member of the same group" means a company which is for the time being a holding company of which the transferor company is a subsidiary or a subsidiary of the transferor company or of any holding company of which the transferor company is a subsidiary.

SALE BY QUALIFYING MAJORITY – DRAG ALONG RIGHTS

16.

- 16.1 Notwithstanding any other Article but subject to Article 16.3, where any person or persons (an "Offeror") makes a Qualifying Offer (as hereinafter defined) and this is to be accepted by the Majority Members (as hereinafter defined), the Majority Members may by notice in writing (a "Drag Along Notice") to the other members of the Company (the "Minority Members") require the Minority Members to (i) forthwith accept such Qualifying Offer, and (ii) transfer all of their shares free from all charges, liens, encumbrances and other third party rights to the Offeror at the same time as the Majority Members transfer all of their own shares to the Offeror.
- 16.2 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder shall lapse if for any reason the sale of the shares of the Majority Members pursuant to Article 16.1 does not complete within 60 days after the date of the Drag Along Notice.
- 16.3 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or otherwise (a "New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the New Member shall thereupon be bound to sell and transfer all

such shares acquired by him to the Offeror and the provisions of this Article 16 shall apply to the New Member.

- 16.4 In the event that any Minority Member fails to accept such Qualifying Offer or having accepted such Qualifying Offer fails to execute and deliver any of the documents required to effect any transfer of shares pursuant thereto, such Minority Member shall be deemed to have irrevocably appointed any of the Directors to be his agents and attorneys for the purposes of accepting such Qualifying Offer and/or transferring all of that Minority Member's shares (as the case may) and executing and delivering any such documents. The provisions of Article 12.12 shall have effect as if such Minority Member was the Transferor and the Offeror was the purchaser.

For the purposes of this Article 16:-

"Majority Members" means members, which must include a majority in value of the investors, holding shares conferring in aggregate more than the Qualifying Majority of the total voting rights conferred by all the shares in the capital of the Company for the time being in issue and conferring the right to attend and vote at all General Meetings;

"Qualifying Offer" means an offer which:

- (i) is made on identical terms to all members; and
- (ii) specifies a price which is not less than the Fair Value of each share; and
- (iii) is certified as complying with conditions (i) and (ii) above by an expert (acting as expert and not as arbiter and whose decision shall be final and binding) nominated by and acting at the expense of all the members of the Company (in proportion to their respective shareholdings) or (in the event of disagreement as to nomination) appointed by the President for the time being of the Institute of Chartered Accountants of Scotland; provided that such expert may only be the Auditors, or a partner, director, consultant, or employee of the Auditors, unless either (i) the Auditors, or a partner, director, consultant, or employee of the Auditors (as the case may be) declines to act, or (ii) if at least 85% by value of the members of the Company so agree in writing.

In determining whether an offer satisfies condition (i) above such expert shall take into account:

- (a) any differences in class rights between shares; and
- (b) any consideration (in cash or otherwise) received or receivable by any member 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 to that member including, without limitation, any increase in salary, any bonus or termination payment.

PROCEEDINGS AT GENERAL MEETINGS

17. If a quorum is not present within half an hour of the time appointed for a general meeting, the meeting, if convened on the requisition of members, shall be dissolved and in any other case it shall stand adjourned to such day and at such time and place as the Directors determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be a quorum.
18. Where the Company has only a single member, the quorum shall be one.
19. On a show of hands or on a poll, votes may be given either personally or by proxy, or if a corporation, by its duly authorised representative.

WRITTEN RESOLUTIONS

20. Where a resolution is to be proposed as a written resolution and such written resolution is accepted by or on behalf of:-

(i) in the case of an ordinary resolution, over 50%; and

(ii) in the case of a special resolution, 75% or more

of the members who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed shall, subject always to the provisions of the Act from time to time, be valid, effectual and binding on all of the members of the Company. Any such written resolution may consist of several documents in materially the same form, each accepted by or on behalf of the requisite number of members. Acceptance of a written resolution shall be in terms of the procedure set out in section 296 of the Companies Act 2006. In the case of a corporation which is a member of the Company, acceptance (following section 296 of the Companies Act 2006) by a director or its secretary or by a duly appointed and authorised attorney or representative shall be sufficient.

21. A proposed written resolution circulated to the members shall lapse if it is not passed by the requisite number of members before the expiration of one calendar year from the Circulation Date stated on the proposed written resolution.

NUMBER OF DIRECTORS

22. Unless otherwise determined by ordinary resolution of the Company, the number of Directors shall not be subject to any maximum and the minimum number of directors shall be one.
23. A Director shall not be required to hold any share in the Company in order to qualify for office as a Director. A Director, whether or not the Director holds any share in the Company, shall be entitled to attend and speak at any general meeting, or any meeting of any class, of the members of the Company.

ALTERNATE DIRECTORS

24. Where an alternate Director is also a Director, or acts as an alternate Director for more than one Director, such alternate Director shall have one vote for every Director represented by that Director in addition to that Director's own vote.
25. Where two or more Directors are required to constitute a quorum, an alternate Director, notwithstanding that that Director may be the alternate Director for a number of Directors, shall not, alone, constitute a quorum, and shall only act in conjunction with, at least, one Director or another alternate Director.

APPOINTMENT AND RETIREMENT OF DIRECTORS

26. The Company may by ordinary resolution appoint a person who is willing to act as a Director, either to fill a vacancy or as an additional Director (but not to fill the vacancy of any Investors' Director).
27. The Directors may appoint any person who is willing to act as a Director, either to fill a casual vacancy or as an additional Director (but not to fill the vacancy of any Investors' Director).

PROCEEDINGS OF DIRECTORS

28. A sole Director shall have and may exercise all the powers of, and the full authority conferred on, the Directors in terms of these Articles, and all references to the Directors in the Articles and Regulations shall be construed accordingly.
29. The quorum for the transaction of the business of the Directors shall be two Directors, of which at least (a) one must be the Executive (provided that he is still director of the Company), and (b) one must be an Investors' Director, or the alternate of such Executive or Investors' Director, except when the said Executive or Investors' Directors, in respect of their attendance or that of their alternates, have waived such requirement or where there is no Executive occupying the office of Director. In the absence of any person holding the office of Investors' Director, the quorum shall be two, except in the case of a sole Director, when the quorum shall be one. A person who holds office only as an alternate Director shall, if the appointing Director is not present, be counted in the quorum. An Investors' Director who is absent from the United Kingdom shall be entitled to receive notice of a meeting, provided that Director has given the Company an address outside the United Kingdom. Regulation 88 shall be modified accordingly.
30. Any Director, including an alternate Director, may participate in a meeting of the Directors or a committee of Directors by means of a conference telephone or other conference communication facility by which all persons participating in the meeting can hear and speak with each other. Participation in a meeting in this manner shall be deemed to constitute the presence of a Director in person at such meeting, entitling him to be counted in the quorum and to vote accordingly. A telephone conference meeting shall be deemed to be held at the place where the largest number of Directors is present, or, where there is no such gathering, where the chairman is present.
31. Subject to such disclosure as is required by the Regulations, or the Act, a Director shall be entitled to vote at, and be counted in the quorum of, a meeting of Directors or of a committee of Directors on any resolution concerning a matter in which the

Director has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company.

THE SEAL

32. The Company shall not have a seal.

OBSERVERS

33. ETF will, for so long as it continues to be the holder of Ordinary Shares which in nominal value equal or are greater than 9% of the nominal value of all Ordinary Shares in issue in the Company be entitled from time to time to appoint a person to attend all meetings of the Directors and all meetings of a committee of the Directors as an observer and any person so appointed shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers pertaining to such meetings. Such observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion but not to vote nor receive any fee or reimbursement of expenses from the Company.
34. Scottish Enterprise shall be entitled to have one person attend as an observer at all meetings of the Board. Such observer shall be entitled to speak but not vote at such meetings of the Board nor receive any fee or reimbursement of expenses from the Company.

INDEMNITY

35. Without prejudice to any indemnity to which any person referred to in this Article 35 may otherwise be entitled, every present and former Director, alternate Director, secretary or other officer of the Company (excluding any present or former Auditors) (an "Indemnified Person") shall be indemnified by the Company against all liabilities, costs, charges and expenses incurred by him in the execution and discharge of his duties to the Company and any Associated Company, including any liability incurred by any Indemnified Person in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to be done or omitted by him as an officer or employee of the Company or an Associated Company provided that such indemnity shall not extend to any liability arising out of the fraud or dishonesty of the relevant Indemnified Person (or the obtaining of any personal profit or advantage to which the relevant Indemnified Person was not entitled) and no Indemnified Person shall be entitled to be indemnified for:
- 35.1 any liability incurred by him to the Company or any Associated Company of the Company as above defined;
- 35.2 any fine imposed in any criminal proceedings;
- 35.3 any sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature howsoever arising;
- 35.4 any amount for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;

- 35.5 any amount for which he has become liable in defending any civil proceedings brought by the Company or any Associated Company in which a final judgment has been given against him;
- 35.6 any amount for which he has become liable in connection with any application under either sections 144(3) or (4) or 727 of the Companies Act 1985 or sections 661(3) or (4) or 1157 of the Companies Act 2006 in which the court refuses to grant him relief and such refusal has become final; and
- 35.7 any liability incurred by a Director or other officer of the Company pursuant to the Investment Agreement, any future investment or subscription agreement or pursuant to any other claim made by the Investors from time to time.

INSURANCE

- 36. The Company shall have power to purchase and maintain for (i) any Indemnified Person (as defined in Article 35), (ii) any director, secretary or other officer (other than any present or former auditors) or employee of an Associated Company and (iii) any persons who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Associated Company are interested, insurance against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust (actual or purported) by him in relation to the Company or any Associated Company or any such pension fund or employees' share scheme or otherwise in connection with his duties, powers or office.

GOVERNING LAW

- 37. These Articles shall be governed by, and construed in accordance with, the Law of Scotland and the Company, its officers and its members, from time to time, prorogate the non-exclusive jurisdiction of the Scottish Courts.