

THE COMPANIES ACT 1985 (AS AMENDED)

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

THE SHAREHOLDERS OF

DEM SOLUTIONS LIMITED

(Registered Number SC240438)

The following resolution was approved as a written resolution of the Company on 1 July 2005.

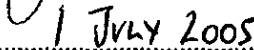
Written Resolution

THAT, conditional upon and with effect immediately prior to Sigma Technology Venture Fund and Scottish Enterprise investing (on or before 31 July 2005) an aggregate sum of not less than £1 million (before deduction of any associated costs and expenses) into DEM Solutions Limited (the "Company"):

1. the authorised share capital of the Company be altered by the reclassification of 237,500 unissued ordinary shares of 1p each in the share capital of the Company into 237,500 A ordinary shares of 1p each in the share capital of the Company, having the rights attached to them as provided for in the new articles of association of the Company to be adopted pursuant to part 3 of this resolution;
2. the authorised share capital of the Company be increased from £4,000 to £10,000 by the creation of an additional 600,000 A ordinary shares of 1p each, having the rights attached to them as provided for in the new articles of association of the Company to be adopted pursuant to part 3 of this resolution; and
3. the regulations contained in the document provided to us by the Company together with this written resolution, be approved and adopted as the new articles of association of the Company, in substitution for, and to the entire exclusion of, the existing articles of association of the Company.

Certified as a true copy


.....Director


.....Date

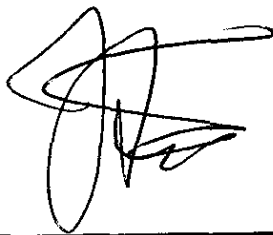


THE COMPANIES ACT 1985 (AS AMENDED)
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
DEM SOLUTIONS LIMITED

Company Number: SC240438

Incorporated on: 2 December 2002

Adopted by written resolution on: 1 July 2005

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

Chairman

CONTENTS

Article	Page No
1. Application of Regulations	1
2. Definitions & Interpretation	2
3. Share Capital	7
4. Rights Attaching to Shares	7
5. Further Issues of Shares	9
6. Transfers of Shares	11
7. Drag Along	15
8. Tag Along	17
9. Proceedings at General Meetings	18
10. Appointment and Retirement of Directors	18
11. Nominated Directors	18
12. Meetings of Directors	19
13. Directors' Conflicts of Interest	19
14. Borrowing Powers	20
15. Indemnity	20

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Company Number: SC240438

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1. Application of Regulations

1.1 General Application of Table A

The regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985/805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and as further amended by the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373) (such regulations being hereinafter called "**Table A**") shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith, and such regulations (save insofar as they are excluded or varied hereby or are inconsistent herewith) and these articles shall be the articles of association of the Company.

1.2 Specific Amendments to Table A

- 1.2.1 Regulations 2, 5, 24, 40, 41, 64, 73 to 80 (inclusive), 85, 86, 94 to 97 (inclusive) and 118 of Table A shall not apply to the Company.
- 1.2.2 In regulation 1 of Table A the words "but excluding any statutory modification thereof not in force when these regulations become binding on the company" shall be deleted.
- 1.2.3 In the second sentence of regulation 6 of Table A there shall be inserted after the words "sealed with the seal" the words "or subscribed by two directors or a director and the secretary or two authorised signatories of the company".
- 1.2.4 In regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted and the words "and the company shall also have a first and paramount lien on all shares standing registered in the name of a single person or in the name of any person jointly with another or others for all monies presently payable by him or any of them or his estate or the estate of any of them to the company" shall be inserted after the words "in respect of that share".
- 1.2.5 In regulation 15 of Table A the words "and all fees, costs and expenses that may have been incurred by the company by reason of or in connection with such non-payment" shall be inserted after the word "Act)" and after the words "payment of the interest".
- 1.2.6 In regulation 18 of Table A the words "and all fees, costs and expenses that may have been incurred by the company by reason of or in connection with such non-payment" shall be inserted after the words "may have accrued".
- 1.2.7 In the case of a corporation a resolution in writing may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised

representative. Regulation 53 of Table A shall be extended accordingly and shall apply *mutatis mutandis* to resolutions in writing of any class of members.

- 1.2.8 In regulation 50 of Table A the word "not" shall be inserted after the word "shall".
- 1.2.9 In regulation 59 of Table A the word "not" shall be inserted before the word "appoint".
- 1.2.10 In regulation 88 of Table A the word "not" shall be inserted after the words "the chairman shall".
- 1.2.11 In regulation 101 of Table A the words ", if the company has one," shall be inserted after the words "The Seal" at the beginning of that regulation.

2. Definitions & Interpretation

2.1 Definitions

In these articles the following words and phrases have the meanings set out opposite them below:

"Act"	the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force;
"acting in concert"	shall bear the meaning ascribed thereto in the Code;
"A Ordinary Shares"	A ordinary shares of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in these articles;
"A Ordinary Shareholder Majority"	the holders of more than 50% of the A Ordinary Shares then in issue;
"Business Sale"	a disposal of all or substantially all of the undertaking or assets of the Company or any other member of the Group;
"Code"	the City Code on Takeovers and Mergers (as the same is amended from time to time by the Panel on Takeovers and Mergers);
"Connected Person"	means any person or persons (other than any member of the Sigma Group) connected (within the meaning of Section 839 of the Income and Corporation Taxes Act 1988 (as amended)) with any director or shareholder of any member of the Group;
"Controlling Interest"	an interest in Equity Shares (as defined in Part I of Schedule 13 to and section 324 of the Act) conferring in the aggregate 50% or more of the total voting rights conferred by all the issued Equity Shares for the time being;
"Employed Member"	a person who is a director and/or employee of any Group Company (other than any person appointed as a director by Sigma) and who holds shares in the capital of the Company at the relevant time;
"Equity Shares"	the A Ordinary Shares and Ordinary Shares;
"Exchange"	(i) any regulated share dealing market of any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000); (ii) the Alternative Investment Market of the London Stock

Exchange plc (in the event that the Alternative Investment Market of the London Stock Exchange plc ceases to be a regulated market of a recognised investment exchange and accordingly ceases to fall within part (i) of this definition); (iii) any of the share dealing markets operated by Nasdaq Stock Market, Inc. or one of its affiliates, the National Association of Securities Dealers, Inc., NASD Regulation, Inc., NASDAQ International Marketing Initiatives, NASDAQ International or Nasdaq Europe S.A./N.V. and/or OFEX plc; and/or (iv) any other share dealing market approved in writing by an A Ordinary Shareholder Majority;

"Family Trust"

a trust which only permits the settled property or the income therefrom to be applied for the benefit of: (i) the settlor and/or a Privileged Relation of that settlor; or (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except such charity or charities); and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition, "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

"Flotation"

the admission of all or part of the Equity Shares to trading on an Exchange;

"Fundraising"

a further fundraising by the Company following the date of adoption of these Articles (but excluding, however, (i) the provision to the Company of any debt and/or invoice discounting facilities by the banker to any member of the Group (from time to time), (ii) any subscription for shares pursuant to the exercise of a Permitted Option, (iii) any subscription by Jin Ooi for up to 7,200 Ordinary Shares, (iv) any subscription for shares pursuant to the Investment Agreement, and/or (v) any shares subscribed for pursuant to the operation of article 4.5 and/or article 4.6);

"Good Leaver"

means:-

- (1) the Relevant Member if he ceases to be a director and/or employee (other than as a result of bankruptcy):-
 - (a) prior to the date 2 years after the date of adoption of these Articles (i) as a result of death, illness (including mental illness), disability or incapacity through ill health; or (ii) where the death, illness (including mental illness), disability and/or incapacity through ill-health of a spouse, long-term partner or child makes it reasonably necessary for the Relevant Member to provide care

himself to that spouse, long-term partner of child; or (iii) as a result of wrongful dismissal; or (iv) in circumstances where he has been dismissed from employment and such dismissal is found to have been unfair by any industrial tribunal or any appellate body thereof; or

(b) on or after the date 2 years after the date of adoption of these Articles for any reason (other than fraud and/or other gross misconduct); or

(c) when the Directors resolve that such Employed Member shall be a Good Leaver and provided that an A Ordinary Shareholder Majority have approved such resolution;

(2) in respect of an Employed Member who is not the Relevant Member, an Employed Member who ceases to be a director and/or employee (other than a person who has been declared bankrupt) (i) as a result of death, illness (including mental illness), disability, incapacity through ill health; or (ii) where the death, illness (including mental illness), disability and/or incapacity through ill-health of a spouse, long-term partner or child makes it reasonably necessary for the Employed Member in question to provide care himself/herself to that spouse, long-term partner of child; or (iii) as a result of wrongful dismissal; or (iv) in circumstances where he has been dismissed from employment and such dismissal is found to have been unfair by any industrial tribunal or any appellate body thereof; or (iv) and the Directors resolve that such Employed Member shall be a Good Leaver and provided that an A Ordinary Shareholder Majority have approved such resolution;

(3) an Employed Member who had been, but ceases to be, a non-executive Director of any Group Company (other than a person who has been declared bankrupt);

"Investment Agreement"

the agreement among the Company, the Relevant Member, Sigma, Scottish Enterprise and Sigma Technology Management dated on or around the date of adoption of these Articles;

"Group"

the Company and the subsidiaries (if any) of the Company for the time being;

"Group Company"

any company forming part of the Group;

"Liquidation Preference"

means:-

(1) if a Relevant Event that is based on a valuation of the Company (for the avoidance of doubt, such valuation taking account of any and all debt owed by the Company at the time of the

	Relevant Event) of less than £2,520,000 occurs on or before the first anniversary of the adoption of these Articles (for the avoidance of doubt, regardless of whether such Relevant Event results and/or had resulted in return and/or distribution of capital to shareholders in accordance with article 4.2) 20% of the Paid Up Amount; and/or
(2)	if a Relevant Event that is based on a valuation of the Company (for the avoidance of doubt, such valuation taking account of any and all debt owed by the Company at the time of the Relevant Event) of less than £3,000,000 occurs after the first anniversary of the adoption of these Articles but prior to the (a) fifth anniversary of the adoption of these Articles if the Company has not achieved the Sales Target, or (b) third anniversary of the adoption of these Articles if the Company has achieved the Sales Target (for the avoidance of doubt, regardless always of whether such Relevant Event results and/or had resulted in return and/or distribution of capital to shareholders in accordance with article 4.2) 44% of the Paid Up Amount;
"Ordinary Shareholder Majority"	the holders of more than 50% of the Ordinary Shares then in issue;
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company having the rights and being subject to the restrictions set out in these articles;
"Permitted Option"	any option over Ordinary Shares granted by the Remuneration Committee of the Company to any director and/or employee of a Group Company under a share option scheme which has been approved in writing by an A Ordinary Shareholder Majority (such approval not to be unreasonably withheld or delayed) and under which options over no more than 28,700 Ordinary Shares (as adjusted in accordance with the rules of the share option scheme in question to take into account any consolidation and division, sub-division or capitalisation issue of the Ordinary Shares but including, for the avoidance of doubt, any option(s) over Ordinary Shares granted by the Company prior to the date of the adoption of these Articles) may be outstanding at any time;
"Privileged Relation"	any of the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children;
"Relevant Event"	means a Business Sale, a Flotation, a Fundraising or a Share Sale;
"Relevant Member"	John Favier of Flat 2F1, 17 Bruntsfield Gardens, Edinburgh EH10 4DX;
"Relevant Proportion"	such number of Equity Shares as is equal (or as near as possible) to:- (1) 4.99% of the Equity Shares then in issue; or

- (2) 9.99% of the Equity Shares then in issue if the directors and an A Ordinary Shareholder Majority have so agreed in writing;

"Remuneration Committee"	a committee of the directors established for the purpose of determining the remuneration to be paid to and Permitted Options to be granted to the directors and employees of Group Companies, the membership of which shall comprise up to three non-executive directors of the Company (one of whom being any Director appointed by Sigma);
"Sales Target"	aggregate cumulative sales by the Company for the three consecutive financial years of the Company ending 31 May 2008 with a value of not less than £4,500,000 (provided always that in the even of any dispute as to the value and/or timing of sales the matter shall be referred to a Valuer whose decision shall be final and binding);
"Scottish Enterprise"	Scottish Enterprise of 150 Broomielaw, 5 Atlantic Quay, Glasgow G2 8LU;
"Scottish Enterprise Group"	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 a Scottish Enterprise successor, being any public authority or other public entity to which the activities or operations of Scottish Enterprise are devolved or transferred and the expression "member of the Scottish Enterprise Group" shall be construed accordingly;
"Share Sale"	a transfer of a Controlling Interest in the Company;
"Sigma"	Sigma Technology Venture Fund, a limited partnership established under the Limited Partnerships Act 1907 under number LP008099 and having its principal place of business at 6 th Floor, Bucklersbury House, 83 Cannon Street, London EC4N 8ST;
"Sigma Group"	any manager, general or limited partner for the time being of Sigma, any subsidiary or holding company of any manager, general or limited partner for the time being of Sigma and any company which is a subsidiary of any such holding company, any other limited partnership managed by the then current manager of Sigma and any nominee of any of the foregoing; and
"UoE"	means University Court of the University of Edinburgh, having its principal place of business at Old College, South Bridge, Edinburgh EH8 9YL;
"UoE Body"	means UoE and any subsidiary of UoE and "subsidiary" shall have the meaning attributed to it in Section 736 of the Act; and
"Valuer"	an umpire (acting as an expert and not as an arbiter) being an independent chartered accountant nominated by an A Ordinary Shareholder Majority and approved by an Ordinary Shareholder Majority or, in the event of disagreement as to such nomination, appointed at the request of any such persons by the President for the

time being of the Institute of Chartered Accountants of Scotland.

2.2 Interpretation

Words and expressions defined in the Act shall, unless the context otherwise requires, bear the same meanings in these articles.

3. Share Capital

The authorised share capital of the Company at the date of adoption of these articles is £10,000 divided into:

- 3.1.1 837,500 A Ordinary Shares; and
- 3.1.2 162,500 Ordinary Shares.

4. Rights Attaching to Shares

4.1 Income

- 4.1.1 No dividend shall be declared, distributed and/or paid without either:
 - (i) the prior written consent of an A Ordinary Shareholder Majority having been obtained; or
 - (ii) an extraordinary resolution approving the dividend having been passed at a separate general meeting of the holders of A Ordinary Shares.
- 4.1.2 Any profits which the Company may determine to distribute shall be distributed to the holders of shares (irrespective of class) *pari passu* as if the same were one class of share.
- 4.1.3 Every dividend shall be distributed and/or paid to the holders of shares *pro rata* according to the amounts paid up or credited as paid up (disregarding any premium) on the shares held by them respectively.
- 4.1.4 Dividends accrue on a daily basis and shall be apportioned accordingly.

4.2 Capital

- 4.2.1 No capital or assets shall be returned or distributed without either:
 - (i) the prior written consent of an A Ordinary Shareholder Majority having been obtained; or
 - (ii) an extraordinary resolution approving the return or distribution having been passed at a separate general meeting of the holders of A Ordinary Shares.
- 4.2.2 Subject to article 4.2.1, on a winding up, share capital reduction or other return or distribution of capital or assets, any capital or assets shall be returned or distributed in the following order of priority:
 - (i) first, in paying to the holders of A Ordinary Shares the amount paid up or credited as paid up (including, for the avoidance of doubt, any premium) on the A Ordinary Shares held by them respectively (the "Paid Up Amount") together with any Liquidation Preference that is applicable to such Paid Up Amount;
 - (ii) second, in paying to the holders of Ordinary Shares an amount of £7.52 in relation to each Ordinary Share held by them respectively; and

- (iii) the balance of any such capital and/or assets shall be distributed to the holders of shares (irrespective of class) *pro rata* according to the numbers of shares (irrespective of class) held by them respectively.

4.2.3 Upon a Share Sale, the members who sell shares (irrespective of class) in such a Share Sale shall be entitled to share in the proceeds thereof as if the same had been distributed to those members under the provisions of article 4.2.2 and the directors shall refuse to register any transfer of any such shares (irrespective of class) unless the proceeds are so distributed.

4.3 Voting

Save as provided in article 11.1.2, on a show of hands every holder of shares (irrespective of class) who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative (not being himself a member entitled to vote) shall have one vote and on a poll every holder of shares (irrespective of class) shall have one vote for every share (irrespective of class) of which he is the holder.

4.4 Class Rights

4.4.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may only be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with the consent in writing of the holders of 75% or more of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class of share but not otherwise. To every such separate general meeting all the provisions of these articles relating to general meetings of the Company shall apply *mutatis mutandis* except that the necessary quorum shall be at least one person holding or representing by proxy one third in nominal amount of the issued shares of the class.

4.4.2 Without prejudice to the generality of this article 4.4, the special rights attached to the A Ordinary Shares shall be deemed to be varied by any and/or all of:-

- (i) any alteration to the memorandum or articles of association of any Group Company;
- (ii) any variation (whether direct or indirect) of the rights attached to any of the shares for the time being in the capital of any Group Company;
- (iii) any creation of rights or the entry into any transaction which are/is detrimental to the rights attached to the A Ordinary Shares;
- (iv) any allotment and/or issue by any Group Company of any shares and/or any alteration, increase, reduction, consolidation and division, sub-division of the authorised or issued share capital of any Group Company, save for:
 - (iv)(a) any issue of A Ordinary Shares by the Company pursuant to the Investment Agreement and/or article 4.5;
 - (iv)(b) any issue of Ordinary Shares by the Company pursuant to the proper exercise of a Permitted Option; and
 - (iv)(c) any issue of up to 7,200 Ordinary Shares to Jin Ooi;
- (v) any application by way of capitalisation of any sum in or towards paying up any share or loan capital of any Group Company;
- (vi) the entry by any Group Company into a contract to purchase its own shares (whether on a market, off-market, contingent or otherwise);
- (vii) the redemption by any Group Company of any of its shares;
- (viii) any alteration of the restrictions on the powers of the directors of any Group Company to borrow, give guarantees or create charges;
- (ix) any alteration of a Group Company's accounting reference date;

- (x) any declaration, distribution or payment of any dividend or the making of any other distribution by any Group Company, other than to the Company;
- (xi) any return or distribution of capital or assets by any Group Company;
- (xii) any proposal of a resolution at a general meeting of any Group Company or of a written resolution of any Group Company that the Group Company in question be wound up (save in the case of insolvency);
- (xiii) any Group Company entering into any agreement to dispose of all or any part of its business or, save in the ordinary course of trading, any assets;
- (xiv) any Group Company selling or otherwise disposing of any shares it holds in any other Group Company;
- (xv) any application being made for the admission of any Group Company's securities to trading on any Exchange or any other share dealing market;
- (xvi) any Group Company entering into any agreement to purchase or otherwise acquire shares or any business or any part thereof;
- (xvii) any Group Company expanding, developing or evolving its business otherwise than through another Group Company which is wholly-owned by the Company;
- (xviii) any resolution (whether of the directors of any Group Company, at a meeting of a Group Company or written) being proposed which would by virtue of this article 4.4 be a variation of the special rights attaching to the A Ordinary Shares.

4.5 Anti-Dilution

In the event that any shares in the share capital of the Company ("New Shares") are issued (other than (i) pursuant to a Permitted Option, (ii) up to 7,200 Ordinary Shares to Jin Ooi, (iii) pursuant to the Investment Agreement, and/or (iv) pursuant to the operation of this article 4.5 and/or article 4.6) at a price per share based on a valuation of the Company which equates to a value per Equity Share (the "New Share Valuation") of less than £7.52 then the Company shall issue to the holders of the A Ordinary Shares (pro rata to their holdings of A Ordinary Shares) by way of capitalisation of the Company's share premium account, or by other available reserve of the Company as shall not require any subscription monies to be paid by the holders of the A Ordinary Shares, such number of additional A Ordinary Shares in the capital of the Company ("Bonus Shares") fully paid at par as would result in the average amount per share paid up in cash on the total number of existing A Ordinary Shares, Bonus Shares and/or Par Shares (as hereinafter defined) issued pursuant to this Article 4.5, being equal to the New Share Valuation.

Should the Company not have enough funds within its share premium account or any other available reserve to enable sufficient Bonus Shares to be issued, the Company shall issue such Bonus Shares pro rata to the holders of A Ordinary Shares according to the number of A Ordinary Shares held as it is permitted to by law and the holders of the A Ordinary Shares shall then be permitted to subscribe for such number of A Ordinary Shares at par ("Par Shares") as shall result in the average amount per share paid up in cash on the total number of existing A Ordinary Shares, Bonus Shares, Par Shares and any Bonus Shares and/or Par Shares issued pursuant to this Article 4.5 being equal to the New Share Valuation.

4.6 Flotation

Immediately prior to a Flotation, the Company shall issue to the holders of the A Ordinary Shares by way of capitalisation of the Company's share premium account, or such other available reserve of the Company as shall not require any subscription monies to be paid by the holders of the A Ordinary Shares, such number of additional A Ordinary Shares in the

capital of the Company ("Pre-flotation Shares") fully paid at par as would result in such holders of A Ordinary Shares holding such proportion (or as near as may be reasonably practicable thereto by ignoring any fractional entitlements to a share) of the issued Equity Share capital of the Company prior to the Flotation as is equal (or as near as may be reasonably practicable as aforesaid) to the proportionate share of any distribution that those holders of A Ordinary Shares would have received pursuant to article 4.2.2 (taking account, for the avoidance of doubt, of any Liquidation Preference that would have been applicable) *had the Company made a distribution of an amount equal to the valuation placed on the Company in the Flotation (prior to the receipt of any proceeds from the Flotation).*

Should the Company not have enough funds within its share premium account or any other available reserve (together the "Required Reserves") to enable sufficient Pre-flotation Shares to be issued, the Company shall issue such Pre-flotation Shares pro rata to the holders of A Ordinary Shares according to the number of A Ordinary Shares held as it is permitted to by law and the holders of the A Ordinary Shares shall then be permitted to subscribe for such number of A Ordinary Shares at par as shall result in such holders of A Ordinary Shares being issued the same number of A Ordinary Shares pursuant to the operation of this article 4.6 as such holders of A Ordinary Shares would have been issued if the Company had the Required Reserves.

5. Further Issues of Shares

5.1 General Authority

All unissued A Ordinary and Ordinary Shares in the share capital of the Company shall be under the control of the directors who may (subject to (i) section 80 of the Act, (ii) these articles (including, without limitation, article 4.4.2) and (iii) any direction to the contrary that may be given by ordinary resolution of the Company) allot, grant options or rights over or otherwise dispose of the same to such persons, at such times, and on such terms as they think fit.

5.2 Section 80 Authority

In substitution for and to the exclusion of any existing authority under section 80 of the Act, but without prejudice to any previous exercise of any such authority, the directors are authorised for the purposes of section 80 of the Act to exercise all the powers of the Company to allot and grant rights to subscribe for or convert securities into relevant securities (as defined by section 80(2) of the Act) in the Company up to the aggregate nominal amount of £8,662 at any time or times during the period of five years from the date of adoption of these articles, provided always that this authority is limited to the allotment of A Ordinary Shares pursuant to the Investment Agreement and/or article 4.5 and/or article 4.6, and/or the allotment of Ordinary Shares pursuant to a Permitted Option and/or the allotment of up to 7,200 Ordinary Shares to Jin Ooi. The directors may, after that period of five years, allot any relevant securities or grant any such rights under this authority in pursuance of an offer or agreement (including, without limitation, the Investment Agreement) so to do made by the Company within that period of five years.

5.3 Section 89 Exclusion

In accordance with section 91 of the Act, section 89(1) of the Act shall not apply to the allotment by the Company of equity securities (as defined by section 94 of the Act).

5.4 Interests in Shares

Save as otherwise required by law or provided in these articles, the Company shall not be compelled to recognise any equitable, contingent, future or partial interest in any share or any fraction of a share, except the absolute right of the registered holder to the entirety thereof.

5.5 Further Issues of Shares

Unless either:

- 5.5.1 the prior written consent of an A Ordinary Shareholder Majority has been obtained approving the disapplication of this article 5.5; or
- 5.5.2 an extraordinary resolution approving the disapplication of this article 5.5 has been passed at a separate general meeting of the holders of the A Ordinary Shares,

all shares (other than shares requiring to be issued pursuant to the Investment Agreement, to the proper exercise of a Permitted Option or pursuant to any right specifically attached to A Ordinary Shares by these articles) shall first be offered in writing to the holders of the A Ordinary Shares in proportion as nearly as may be possible to the numbers of A Ordinary Shares held by them (the "Offer Shares"). Any such offer shall be open for acceptance for not less than 21 days from the date of receipt (or deemed receipt) of the offer in question and shall be capable of being accepted in whole or in part only (at the option of the relevant holder of A Ordinary Shares). Any Offer Shares not accepted during that period shall be at the disposal of the directors who may (within the period of one month from the end of that 21 day period) offer, allot and issue the same to such persons and at a price per share and on such other terms as are no more favourable than those offered to the holders of the A Ordinary Shares. Where A Ordinary Shares are held by Sigma or any member(s) of the Sigma Group or by Scottish Enterprise and any member(s) of the Scottish Enterprise Group, at the time an offer to the holders of such shares is made in accordance with this article 5.5 and any such holder(s) do not wish to or are unable to accept the offer in relation to the Offer Shares, such holders shall be entitled to nominate a person(s) to subscribe for the Offer Shares to which they would be entitled. This article 5.5 is without prejudice to the class rights attaching to the A Ordinary Shares (including, without limitation, the class right set out in article 4.4.2(iv)).

6. Transfers of Shares

6.1 Prohibition on Transfers of Shares not in accordance with these Articles

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after the date of receipt (or deemed receipt) of such request the directors shall be entitled refuse to register the transfer in question.

6.2 Permitted Transfers of Equity Shares by Sigma, SE and UoE

Notwithstanding any other provision of these articles, a transfer of any Equity Shares in the Company held by any member of the Sigma Group or the Scottish Enterprise Group or by a UoE Body may be made between the member of the Sigma Group or the Scottish Enterprise Group or the UoE Body holding such Equity Shares and any other member of the Sigma Group or the Scottish Enterprise Group or other UoE Body (as the case may be) without restriction as to price or otherwise and the directors shall register any such transfer, provided that if any such transferee ceases to be a member of the Sigma Group or the Scottish Enterprise Group or a UoE Body (as the case may be) it shall forthwith transfer the relevant shares to a member of the Sigma Group or the Scottish Enterprise Group or to a UoE Body (as the case may be).

6.3 Permitted Transfers of Ordinary Shares to Privileged Relations/Family Trusts

6.3.1 Any member may at any time transfer all or any Equity Shares held by him to:

- (i) a Privileged Relation; or
- (ii) trustees to be held upon a Family Trust of which he is the settlor,

and, subject to the remaining provisions of this Article 6.3.1, the directors shall be obliged to register such transfers, provided however that in respect of any such transfer an A Ordinary Shareholder Majority must first be satisfied with: (i) the terms of the trust instrument, and in particular with the powers of the trustees, in

relation to any relevant Family Trust; (ii) with the identity of the proposed trustees of any relevant Family Trust; (iii) that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of any Family Trusts and/or Privileged Relations ; and (iv) that no costs incurred in connection with the setting up or administration of any relevant Family Trust are to be paid by the Company.

6.3.2 Where any shares are held by trustees upon a Family Trust:-

- (i) on any change of trustees such shares may be transferred to the new trustees of that Family Trust;
- (ii) *such shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor;*

and the provisions of article 6.5 shall not apply to such transfer.

6.3.3 *If and whenever any shares held by trustees upon a Family Trust cease to be so held (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice (as defined in article 6.5.1) shall be deemed to have been given in respect of such shares by the holders thereof and such shares may not otherwise be transferred.*

6.4 **Permitted Transfers with Shareholder Approval**

Notwithstanding any other provision of these articles, a transfer of any Equity Shares in the Company approved in writing by such holders of shares (irrespective of class) who hold in aggregate 80% or more (by number) of the issued shares in the capital of the Company (irrespective of class) may be made without restriction as to price or otherwise and the directors shall register any such transfer.

6.5 **Requirement for a Transfer Notice**

6.5.1 Save as otherwise provided in these Articles, every member who desires to transfer any shares (the "**Vendor**") shall give to the directors of the Company notice in writing of such desire (hereinafter called a "**Transfer Notice**"), which notice shall specify the number of shares desired to be transferred and the proposed sale price and which shall be delivered to the directors at the registered office of the Company. Where the Transfer Notice is, pursuant to these Articles, deemed to have been given it is referred to as a "**Deemed Transfer Notice**". Transfer Notices and Deemed Transfer Notices shall constitute the directors as the Vendor's agent for the sale of the lesser of (i) the shares specified therein (or the subject thereof), and (ii) if article 6.6.2 applies, the number of shares remaining after deduction of the Relevant Proportion, (the "**Sale Shares**") at the Sale Price (as determined in accordance with article 6.8).

6.5.2 Any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of shares to the effect that such shares or any of them be allotted or issued to or registered in name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of such shares, except in relation to any rights of Sigma or Scottish Enterprise or any member(s) of the Sigma Group or the Scottish Enterprise Group pursuant to article 5.5.

6.6 **Mandatory Offer on Cessation of Employment**

6.6.1 Subject to article 6.6.2, if an Employed Member:

- (i) being a director, ceases to be a director of any and all Group Companies; or
- (ii) being an employee, ceases to be an employee of any and all Group Companies; or
- (iii) being a director and an employee, ceases to be both a director and an employee of any and all Group Companies;

and, in each case, does not continue in that capacity in respect of any Group Company, a Transfer Notice shall be deemed to have been served forthwith upon such cessation in respect of all shares held by that Employed Member and all shares held by that Employed Member's Privileged Relations or by trustees upon a Family Trust for such Employed Member (other than shares which the directors are reasonably satisfied were not acquired by such holders either (a) directly or indirectly from the Employed Member or (b) by reason of their connection with the Employed Member). In the event of the Employed Member or Privileged Relations or trustees as aforesaid (or his or their respective executors or personal representatives) being entitled to receive any shares by virtue of holding any rights or interests to acquire shares in the Company, then upon such Employed Member or Privileged Relations or trustees as aforesaid (or his or their respective executors or personal representatives) receiving any shares pursuant to any such rights or interests such Employed Member, Privileged Relations or trustees (or his or their respective executors or personal representatives) shall be deemed forthwith to have served a Transfer Notice in relation to all the shares issued or transferred to them pursuant to such rights or interests.

6.6.2 If the Relevant Member is deemed to:-

- (i) have served a Transfer Notice pursuant to article 6.6.1; and
- (ii) be a Good Leaver;

then the Relevant Member shall, by written notice to the Company, be entitled to instruct the Company that the Transfer Notice deemed to have been served pursuant to article 6.6.1 shall not apply to such number of the total number of shares held in aggregate by him, his Privileged Relations and the trustees of any Family Trust of which he is the settlor as is equal to the Relevant Proportion and in such event the Transfer Notice shall not apply in respect of those shares.

6.7 **Mandatory Offer on Death etc.**

6.7.1 In the event of the death of any member then that member (or his executors or personal representatives, where appropriate) shall be deemed to have served forthwith upon the happening of such event a Transfer Notice in relation to all shares held by him and all shares held by such member's Privileged Relations or by trustees upon a Family Trust for such member (other than shares which the directors are reasonably satisfied were not acquired by such holders either (a) directly or indirectly from such member or (b) by reason of their connection with such member). In the event of such member or Privileged Relations or trustees as aforesaid (or his or their respective executors or representatives) being entitled to receive any shares by virtue of holding any rights or interests to acquire shares in the Company, then upon such member or Privileged Relations or trustees as aforesaid (or his or their respective executors or personal representatives) receiving any shares pursuant to any such rights or interests such member, Privileged Relations or trustees (or his or their respective executors or personal representatives) shall be deemed forthwith to have served a Transfer Notice in relation to all the shares issued or transferred to them pursuant to such rights or interests.

6.7.2 In the event of any shares of any member being transferred, awarded or confirmed to that member's spouse or former spouse pursuant to a property settlement or separation agreement or to a decree of divorce, the member's spouse or former spouse shall be deemed to have served a Transfer Notice in respect of such shares on the date on which such settlement is made or agreement is signed or decree is granted (as the case may be).

6.8 **Calculation of the Sale Price**

6.8.1 In the case of a proposed transfer of shares which are the subject of a Transfer Notice (as opposed to a Deemed Transfer Notice), the Sale Price shall be the sale price specified in the Transfer Notice. In the case of a Deemed Transfer Notice,

the Sale Price shall be the price agreed by the Vendor and the holders of 80% or more (by number) of the issued shares in the capital of the Company (irrespective of class). If the Vendor and other members holding a sufficient number of shares are unable to agree a price within 21 days of the date of the Company becoming aware of the circumstances giving rise to the Deemed Transfer Notice, the Sale Price will, subject to article 6.8.3 below, instead be the price which the Valuer shall certify to be in his opinion a fair value thereof as at the date on which the Deemed Transfer Notice was deemed to have been given ("**Fair Value**").

6.8.2 In arriving at his opinion the Valuer will value the shares on a going concern basis as between a willing seller and a willing buyer and on the assumption that the Sale Shares are capable of transfer without restriction. The value of the shares shall not be enhanced or discounted on account of their representing a majority or minority (respectively) interest in the share capital of the Company. The decision of the Valuer as to the Sale Price shall be final and binding and, subject to article 6.9, his costs shall be borne as to one half by the Vendor and as to the other half by the other members (*pro rata* to the number of Sale Shares purchased by them) unless no Sale Shares are purchased by the members in which case the entire costs of the Valuer shall be borne by the Vendor. The Valuer shall notify the Company in writing of his decision and the Company shall, upon receiving such written notification, copy the same to the Vendor and to the other members.

6.8.3 In the event that a Deemed Transfer Notice has been served by an Employed Member pursuant to the provisions of article 6.6 where that Employed Member is not a Good Leaver, the Sale Price shall be the lesser of (i) the amount subscribed (or its cash equivalent) for the Sale Shares and (ii) the Fair Value of the Sale Shares.

6.9 **Rights of Vendor**

6.9.1 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a "**Total Transfer Condition**") that unless all the shares comprised therein are sold by the Company pursuant to this article 6 then none shall be sold. Any such provision shall be binding on the Company.

6.9.2 A Transfer Notice and Deemed Transfer Notice shall not be capable of being cancelled or otherwise withdrawn unless all of the members, other than the Vendor, otherwise agree.

6.9.3 All voting rights attached to any shares which are the subject of a Deemed Transfer Notice shall be suspended forthwith. Those voting rights shall be restored upon the completion of a transfer of those shares (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.

6.10 **Timing of Offers of Sale Shares**

The Sale Shares shall be offered for sale as set out below, with the first offer being made within 10 days of the date on which the Transfer Notice is received by the Company or, in the case of a Deemed Transfer Notice, within 10 days of the date on which the Sale Price is either agreed by the Vendor and the holders of 80% or more (by number) of the issued shares in the capital of the Company (irrespective of class) or notified to the Company by the Valuer (as the case may be). All offers made by the Company shall be in writing and shall give details of the number and Sale Price of the Sale Shares. The Company shall offer the Sale Shares to the following persons in the following order.

6.11 First Offer of Sale Shares

The Company shall firstly offer the Sale Shares for sale to all holders of shares other than the Vendor, *pro rata* as nearly as may be to the respective numbers of shares (irrespective of class) held by such members (but disregarding any shares held by those members which are at the time of the offer in question the subject of a Transfer Notice or Deemed Transfer Notice) (the "First Offer").

6.12 Second Offer of Sale Shares

If at the end of the period in which the First Offer remains open for acceptance there are any Sale Shares which have not been accepted pursuant to the First Offer, then such Sale Shares shall be offered within a period of 7 days from the close of the First Offer for sale by the Company to such members as stated their willingness to purchase all the Sale Shares offered to them pursuant to the First Offer, *pro rata* as nearly as may be to the respective numbers of shares (irrespective of class) held by such members (the "Second Offer").

6.13 Subsequent Offers of Sale Shares

Thereafter, the Company shall continue to make offers on the same terms while any member continues to state in writing his willingness to purchase all shares offered to him.

6.14 General Provisions as to Offers

Any offer made under this article 6 will invite the relevant person(s) to state in writing the number of the shares offered to them which they wish to purchase and will remain open for a period of 21 days from the date of receipt (or deemed receipt) of the offer in question.

6.15 Transfer Procedure for Pre-Emptive Offers

If the Company finds purchasers for all or, in the case where there is no Total Transfer Condition, any of the Sale Shares under the terms of this article 6, the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or, in the case where there is no Total Transfer Condition, such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall, subject to the Act and to the appropriate stamp duty having been paid on the transfers, enter the names of the purchasers in the register of members as the holder of such of the Sale Shares as shall have been transferred to them. Following the registration of any such transfer in accordance with this article, no person may question the validity of such proceedings. It shall be no impediment to registration of shares that no share certificate has been produced.

6.16 Transfers Free of Pre-Emption

If the Company does not find purchasers for all, or in the case where there is no Total Transfer Condition, some of the Sale Shares under the terms of this article 6 then, subject to the absolute discretion of the directors to decline to register any such transfer without assigning any reason therefor, the Vendor may at any time within six months after the expiry of the last offer made under article 6.13 sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the shares and not part only.

6.17 Effect of Non-Compliance

Any purported transfer of shares made otherwise than in accordance with the provisions of these articles shall be void and have no effect unless all of the members (other than the transferor) shall have validly waived their rights in writing, and no such purported transfer shall be registered by the directors.

7. Drag Along

7.1 Drag Along Option

If at any time or times any person, being an independent third party acting in good faith, (and any persons acting in concert with him)(together a "**Purchaser**") makes a *bona fide* offer to purchase the then entire issued share capital of the Company and shareholders holding 80% or more of the then issued Equity Shares (the "**Accepting Shareholders**") (the A Ordinary Shareholder Majority and the Accepting Shareholders together the "**Shareholder Majority**") wish to transfer their interest in those shares (the "**Sellers' Shares**") to the Purchaser then the Shareholder Majority shall have the option (the "**Drag Along Option**") to require all of the shareholders (the "**Called Shareholders**") to sell and transfer their shares (irrespective of class) to the Purchaser or as the Purchaser shall direct in accordance with the provisions of this article 7.

7.2 Method of Exercise of Drag Along Option

A Shareholder Majority may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (a "**Drag Along Notice**") at any time prior to the transfer of the shares held by such Shareholder Majority to the Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "**Called Shares**") pursuant to these articles, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (determined in accordance with article 7.5) and the proposed date of the transfer.

7.3 Irrevocability of Drag Along Notices

A Drag Along Notice shall be irrevocable but will lapse if for any reason the sale to the Purchaser does not complete within 60 days after the date of service of the Drag Along Notice. A further Drag Along Notice may be served following the lapse of any particular Drag Along Notice.

7.4 Effectives of Drag Along Notices on New Members

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 who shall thereupon be bound to sell and transfer all such shares acquired by him to the Purchaser or as the Purchaser may direct and the provisions of this article 7 shall apply *mutatis mutandis* to the New Member.

7.5 Price

The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Purchaser for the entire issued share capital of the Company was distributed to the holders of the Sellers' Shares and the Called Shares in accordance with the provisions of article 4.2.2.

7.6 Completion of Drag Along

In the case of an exercise of the Drag Along Option, completion of the sale and purchase of the Called Shares shall take place on the same date as the date proposed for completion of the transfer of the A Ordinary Shares held by the accepting A Ordinary Shareholder Majority unless:

7.6.1 the accepting A Ordinary Shareholder Majority agrees otherwise; or

7.6.2 that date is less than 3 days after the Drag Along Notice in which case it shall be deferred until the third day after the date of receipt (or deemed receipt) of the Drag Along Notice in question.

7.7 Effect on Rights of Pre-Emption

Any rights of pre-emption set out in these articles (if any) shall not arise on any transfer of shares to a Purchaser (or as he may direct) pursuant to a sale in respect of which a Drag

Along Notice has been duly served and each shareholder hereby waives any and all rights of pre-emption to which he may be entitled in respect of such a transfer.

7.8 **Transfer Procedure for Called Shares**

If any shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by him the defaulting shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be his agent and attorney to execute all necessary transfer(s) on his behalf and against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Purchaser (or as he may direct) and the Directors shall, subject to the transfer(s) being duly stamped, forthwith register the Purchaser (or as he may direct) as the holder thereof and, after the Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares that no share certificate has been produced.

8. **Tag Along**

8.1 **Restriction on Change of Control**

Notwithstanding any other provision of these articles, but save for transfers of shares pursuant to articles 6.2, 6.3 and 6.4 no sale or transfer of the legal or beneficial interest in any Equity Shares in the Company may be made or validly registered if as a result of such sale or transfer and the registration thereof there would be a change in the legal or beneficial ownership of any Equity Shares in the share capital of the Company which would result in any party (and any persons acting in concert with him)(together a "**Controlling Shareholder**") holding a Controlling Interest in the Company unless:

8.1.1 either:

- (i) the proposed sale or transfer has been approved in writing by an A Ordinary Shareholder Majority; or
- (ii) an extraordinary resolution approving the proposed sale or transfer has been passed at a separate general meeting of the holders of A Ordinary Shares; and

8.1.2 the Controlling Shareholder is an independent third party acting in good faith and has offered to purchase the entire issued share capital of the Company (irrespective of class) in which case all holders of shares in the capital of the Company (irrespective of class) shall have the right to sell their shares to the Controlling Shareholder on the terms referred to in article 8.2.

8.2 **Sale Terms**

Each holder of shares (irrespective of class) shall be entitled to sell his shares to the Controlling Shareholder at a price (in cash or otherwise) which is the same as that to which he would be entitled if the total consideration proposed to be paid by the Controlling Shareholder for the entire issued share capital of the Company was distributed to the holders of shares in accordance with the provisions of article 4.2.2. The other terms and conditions which shall apply to any such sale shall be the same as those which apply to the proposed acquisition by the Controlling Shareholder of the Controlling Interest, save that Sigma and any member of the Sigma Group and Scottish Enterprise or any member of the Scottish Enterprise Group holding shares in the capital of the Company shall not be required to give any indemnity or warranty (other than a warranty as to title to the shares held by them) to the Controlling Shareholder.

8.3 **Non-application to Allotments and Issues**

For the avoidance of doubt, this article 8 does not apply in respect of any allotment and/or issue of shares.

9. Proceedings at General Meetings

9.1 Quorum

No business shall be transacted at any general meeting unless a quorum is present. Save as otherwise herein prescribed, two persons entitled to vote upon the business to be transacted, one being a holder of Ordinary Shares (or a proxy for, or corporate representative of, such a holder) and one being a holder of A Ordinary Shares (or a proxy for, or corporate representative of, such a holder) shall be a quorum.

9.2 Single Member Company Quorum

If, and for so long as, the Company has only one member, that member present in person or by proxy, or, if that member is a corporation, by a duly authorised representative, shall be a quorum.

9.3 Absence of Quorum

If a quorum is not present within half an hour from the time appointed for a general meeting, the meeting, if commenced on the requisition of members, shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor, the member or members present, whether in person or by proxy or, in the case of a corporation, by its duly authorised representative, shall be a quorum.

10. Appointment and Retirement of Directors

10.1 Number of Directors

The directors shall not be less than two in number.

10.2 Removal of Directors

In addition to the circumstances in which the office of a director is vacated under regulation 81 of Table A, the office shall be vacated if a director is removed from office by notice given to him by all the other directors, provided always that this article 10.2 shall not apply to any director appointed pursuant to article 11.

10.3 Removal by Extraordinary Resolution

10.3.1 In addition and without prejudice to the provisions of section 303 of the Act, the Company may, subject to article 11, by extraordinary resolution remove any director before the expiration of his period of office and may by ordinary resolution appoint another director in his place.

10.3.2 In its application to the Company, Regulation 81 of Table A shall be modified by the deletion of paragraph (e) and the addition of the following paragraph:

"(e) he is removed from office under the provisions of article 10.3.1;"

11. Nominated Directors

Notwithstanding any limitation on number imposed by these articles from time to time, whenever Sigma (or any member of the Sigma Group) holds any shares (irrespective of class) in the capital of the Company, Sigma (or the member of the Sigma Group in question) shall be entitled, by notice in writing, to nominate and appoint, one person as a director of the Company and the following provisions shall have effect:

- 11.1.1 any such appointment shall be made by notice in writing to the Company by Sigma (or the member of the Sigma Group in question) and Sigma (or the member of the Sigma Group in question) may in like manner at any time and from time to time remove from office any director appointed by it pursuant to this Article and appoint any person in place of any director so removed or dying or otherwise vacating office;
- 11.1.2 upon any resolution pursuant to section 303 of the Act or article 10.3 for the removal of any director appointed pursuant to this article 11 and for the time being holding office pursuant to this article, Sigma (or the member of the Sigma Group in question) shall have the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company;
- 11.1.3 the remuneration and expenses to be paid to any director appointed pursuant to this article 11 shall be such sum as may be agreed between the director and the Company; and
- 11.1.4 upon request by Sigma the Company shall procure that any director appointed pursuant to this article 11 shall also be appointed as a director of other Group Companies (or any of them).

12. Meetings of Directors

- 12.1.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar instrument, so long as the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.
- 12.1.2 A resolution in writing signed by all the directors for the time being shall be as effective as a resolution passed at a meeting of the directors duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.

13. Directors' Conflicts of Interest

- 13.1.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
 - (i) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - (ii) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
 - (iii) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
 - (iv) shall not by reason of his office be accountable to the Company for any benefit which he derives from such officer service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall

be liable to be avoided on the ground of any such interest or benefit; and

- (v) shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this article.

13.1.2 For the purposes of this article:

- (i) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (iii) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

14. Borrowing Powers

Subject to article 4.4, the directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and to grant any mortgage, charge or standard security over the undertaking, property and uncalled capital of the Company or any part thereof and, where relevant, subject to section 80 of the Act, to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party, and similarly to give any guarantee or indemnity in respect of any obligation of a third party which the Company is empowered to give.

15. Indemnity

15.1 Right to Indemnification

Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against and/or exempted by the Company from all costs, charges, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings (including, for the avoidance of doubt and without limitation, legal and other costs incurred in connection therewith), whether civil or criminal, brought by a third party 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, provided that this Article shall have no effect in relation to:-

- 15.1.1 any liability incurred by a director to the Company (or any associated company of the Company);
- 15.1.2 any liability incurred by a director to pay (i) a fine imposed in criminal proceedings, and/or (ii) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); and/or

- 15.1.3 any liability incurred by a director (i) in defending any criminal proceedings in which he is convicted, (ii) in defending any civil proceedings brought by the Company, or an associated company of the Company, in which judgment is given against him, and/or (iii) in connection with any application under any of Section 144(3), Section 144(4) and/or Section 727 of the Act, in which the court refused to grant him relief.

For the purposes of this Article 15 "associated company" shall have the same meaning as in Section 309A of the Act.

15.2 Funds to meet Defence Costs

Subject to the provisions of and so far as may be consistent with the Act and any other legislation applying from time to time to the Company (together the "Statutes"), but without prejudice to article 15.1, the Company:-

- 15.2.1 shall provide every person who is a director of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings which relate to anything done or omitted or alleged to have been done by him as an officer or employee of the Company or in relation to the any application for relief under the Statutes in relation to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company; and

- 15.2.2 may do any other thing to enable such a person to avoid incurring such expenditure;

provided that, but only to the extent not covered by the indemnity set out in article 15.1 and/or in any other qualifying third party indemnity provision, any funds provided will become repayable and other liability will fall to be discharged (as the case may be) should that person be finally convicted, should final judgement be given against him or should any refusal of his application for relief become final (as the case may be).

15.3 Insurance

Without prejudice to articles 15.1 and 15.2, the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of any Group Company or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Group Company are interested, including but not limited to insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Group Company, or any such pension fund or employees' share scheme.