

Company number SC393914

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

AQUILA BIOMEDICAL LIMITED (the "Company")

8th August 2012

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed as special resolutions (the "Resolutions").

SPECIAL RESOLUTIONS

1. NEW ARTICLES

THAT the articles of association, initialled and dated the date of circulation of this resolution by a director for identification (the "New Articles"), be and are adopted in substitution for the existing articles of association of the Company and replace them in full.

2. AUTHORITY TO ALLOT

THAT the Directors be generally and unconditionally authorised to allot shares, or to grant rights to subscribe for, or to convert any security into, any shares, in the Company provided that that authority is limited to:

- (a) the allotment of up to 26,500 Ordinary Shares of £0.001 each; and
- (b) the allotment of a further • Ordinary Shares of £0.001 each to the *Wellcome Trust*; and
- (c) options over up to 13,125 Ordinary Shares of £0.001 each (and the subsequent issue of shares pursuant to the exercise of those options, being an Approved Issue as defined in the New Articles);

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date on which this resolution is passed and save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.



This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006.

3. DISAPPLICATION OF PRE-EMPTION RIGHTS

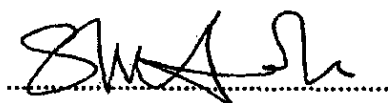
THAT the shareholders give their consent for the purposes of article 25.1 of the Company's articles of association to the allotment and issue of securities as set out in resolution 2 above and that the offer round provisions and pre-emption rights in article 25 and sections 561 and 562 of the Companies Act 2006 do not apply to such allotment or issues.

AGREEMENT

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

The undersigned, a person entitled to vote on the Resolution on 8th August 2012, hereby irrevocably agrees to the Resolution:

Signed



Signed by

S-M. ANDERTON

Date

8th August 2012

NOTES

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:

- **By Hand:** delivering the signed copy to Nimmo W.S., 8 Walker Street, Edinburgh EH3 7LH.
- **Post:** Nimmo W.S., 8 Walker Street, Edinburgh EH3 7LH.
- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to edward.sloan@twjn.co.uk.

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

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

3. Unless, by 13 July 2012, sufficient agreement has been received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

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

Company number SC393914

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

AQUILA BIOMEDICAL LIMITED (the "Company")

8th August 2012

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SPECIAL RESOLUTIONS

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This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the Companies Act 2006.

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Signed



Signed by

Howard Marriott

Date

8th August 2012

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4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

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

"Transmittee" means a person entitled to a Share as a result of the death or Bankruptcy of a shareholder or otherwise by operation of law.

- 2.2 References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form.
- 2.3 References in these Articles to **"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
- 2.4 References in these Articles to Shares being **"paid"** means those Shares being paid or credited as paid.
- 2.5 Unless the context otherwise requires:
- (i) words importing the singular include the plural and vice versa;
 - (ii) words importing any gender include all other genders; and
 - (iii) words importing natural persons include corporations.
- 2.6 Words or expressions contained in these Articles which are defined in the Act have the same meaning as in the Act in force on the date of adoption of these Articles including the following words which are defined in the following sections of the Act:

Word(s)/expression	Section Number in Act
electronic form	section 1168
equity share capital	section 548
hard copy form	section 1168
ordinary resolution	section 282
special resolution	section 283
subsidiary	section 1159
subsidiary undertaking	section 1162
working day	section 1173

- 2.7 A reference to an article by number is to the relevant article of these Articles.
- 2.8 Headings used in these Articles shall not affect their construction or interpretation.
- 2.9 References to any statute or section of a statute shall include reference to any statutory amendment, extension, modification or re-enactment of such statute or section of a statute for the time being in force.

3 LIMITATION OF LIABILITY OF SHAREHOLDERS

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

A COMPANY LIMITED BY SHARES

**Articles of Association
of
AQUILA BIOMEDICAL LIMITED (the "Company")**

adopted by special resolution on 8th August 2012 2012



8th August 2012.

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COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION
OF
AQUILA BIOMEDICAL LIMITED (the "Company")**

1 EXCLUSION OF MODEL ARTICLES

None of the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company and these articles alone are the articles of association of the Company.

2 INTERPRETATION

2.1 In these articles, unless the context requires otherwise:

"Act" means the Companies Act 2006;

"Acceptance" has the meaning given in article 25;

"Acting In Concert" has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"Additional Acceptance" has the meaning given in article 25;

"Alternate" or "Alternate Director" has the meaning given in article 11;

"Appointor" has the meaning given in article 11;

"Approved Issue" means the issue of up to 13,125 Shares to any employees pursuant to any share option scheme and/or share option agreement(s) established or entered into by the Company;

"Articles" means these articles of association;

"Bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales, Scotland or Northern Ireland which have an effect similar to that of bankruptcy;

"Call" has the meaning given in article 31;

"Call Notice" has the meaning given in article 31;

"Call Payment Date" has the meaning given in article 34;

"Capitalised Sum" has the meaning given in article 57;

"Chairman" has the meaning given in article 14;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

"Company's lien" has the meaning given in article 29;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010.

"Director" means a director of the Company, and includes any person occupying the position of director, by whatever name called;

"Distribution Recipient" has the meaning given in article 52;

"Eligible Director" means a Director who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting (but excluding any Director whose vote is not to be counted in respect of a particular matter);

"Fully Paid" in relation to a Share, means that the nominal value and any premium to be paid to the Company in respect of that Share have been paid to the Company;

"Holder" in relation to Shares means the person whose name is entered in the register of members as the holder of the Shares;

"Offered Shares" has the meaning given in article 25;

"Persons Entitled" has the meaning in given article 57;

"Pre-emption offer" has the meaning given in article 25;

"Proxy Notice" has the meaning given in article 69;

"Proxy Notification Address" has the meaning given in article 70;

"Relevant Director" has the meaning given in article 76;

"Relevant Rate" has the meaning given in article 34;

"Relevant Loss" has the meaning given in article 76;

"Seller" has the meaning given in article 48

"Shareholder" means a person who is the Holder of a Share;

"Shares" means shares in the Company;

"Surplus Shares" has the meaning given in article 25;

"University" means the University Court of the University of Edinburgh a charitable body registered in Scotland under the registration number SC005336, incorporated under the Universities (Scotland) Acts and having its principal office at Old College, South Bridge, Edinburgh, EH8 9YL;

"University Group" means the University and any University Successor and each entity (howsoever constituted) controlled by the University or a University Successor from time to time (individually **"University Group Member"**);

"University Successor" means any entity (howsoever constituted) to which all or part of the University's activities or statutory functions have been transferred or devolved or succeeding in whole or in part to the interest of the University or to which all or a material part of the holding of University Group in spin-out companies or the University Group's unlisted investment portfolio is transferred; and

"Transmittee" means a person entitled to a Share as a result of the death or Bankruptcy of a shareholder or otherwise by operation of law.

- 2.2 References in these Articles to a document includes, unless otherwise specified any document sent or supplied in electronic form.
- 2.3 References in these Articles to **"writing"** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.
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- 2.9 References to any statute or section of a statute shall include reference to any statutory amendment, extension, modification or re-enactment of such statute or section of a statute for the time being in force.

3 LIMITATION OF LIABILITY OF SHAREHOLDERS

The liability of the Shareholders is limited to the amount, if any, unpaid on the Shares held by them.

4 DIRECTORS' GENERAL AUTHORITY

The Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

5 SHAREHOLDERS' RESERVE POWER

- 5.1 The Shareholders may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

6 DIRECTORS MAY DELEGATE

- 6.1 The Directors may delegate any of the powers which are conferred on them under these Articles:
- (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions,
- as they think fit.
- 6.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 6.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions.

7 COMMITTEES

- 7.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Articles which govern the taking of decisions by Directors.
- 7.2 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these Articles if they are not consistent with them.

8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY

- 8.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 9.
- 8.2 If:
- (a) the Company only has one Director for the time being; and
 - (b) no provision of these Articles requires it to have more than one Director,

the general rule does not apply, and the Director may (for so long as he remains the sole Director) take decisions without regard to any of the provisions of these Articles relating to Directors' decision-making.

8.3 All acts done by a meeting of Directors, or a committee of Directors or by any Director shall, even if it is discovered afterwards that:

- (a) there was a defect in the appointment of any Director; or
- (b) any Director had been disqualified from holding office; or
- (c) any Director had vacated office or was not entitled to vote

be valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

9 UNANIMOUS DECISIONS

9.1 A decision of the Directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.

9.2 Such a decision may take the form of a resolution in writing where each Director has signed one or more copies of it or to which each Eligible Director has otherwise indicated agreement in writing.

9.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a Director's meeting.

10 CALLING A DIRECTORS' MEETING

10.1 Any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

10.2 Notice of any Directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place;
- (c) the proposed business of the meeting; and
- (d) If it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

10.3 The notice of a Directors' meeting need not be in writing.

10.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company prior to the meeting or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

11 ALTERNATE DIRECTORS

11.1 Any Director (the "Appointor") may appoint as an alternate any other Director, or another person approved by resolution of the Directors to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities

in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor (the "Alternate" or "Alternate Director").

- 11.2 An Alternate Director may act as an Alternate Director to more than one Director and has the same rights, in relation to any decision of the Directors as the Alternate's Appointor.

- 11.3 Alternate Directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors;
- (d) are not deemed to be agents of or for their Appointors;

and in particular (but without limitation) each Alternate Director is entitled to receive notice of all meetings of Directors and all meetings of committees of Directors of which his Appointor is a member.

- 11.4 A person who is an Alternate Director but not a Director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may participate in a unanimous decision of the Directors (but only if his Appointor is an Eligible Director in relation to that decision and does not participate).

- 11.5 An Alternate Director is not entitled to receive any remuneration from the Company for serving as an Alternate Director except such part of the Alternate's Appointor remuneration as the Appointor may direct by notice in writing made to the Company.

- 11.6 An Alternate Director's appointment as an Alternate terminates:

- (a) when the Alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) on the occurrence in relation to the Alternate of any event which, if it occurred in relation to the Alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
- (c) on the death of the Alternate's Appointor; or
- (d) when the Alternate's Appointor's appointment as a Director terminates, except that an Alternate's appointment as an Alternate does not terminate when the Appointor retires by rotation at a general meeting and is then re-appointed as a Director at the same general meeting.

- 11.7 A Director who is also an Alternate Director has an additional vote on behalf of each Appointor who is:

- (a) not participating in a Directors' meeting; and
- (b) would have been entitled to vote if they were participating in it

12 PARTICIPATION IN DIRECTORS' MEETINGS

- 12.1 Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- (a) the meeting has been called and takes place in accordance with these Articles;
and
 - (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 12.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 12.3 If all the Directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

13 QUORUM FOR DIRECTORS' MEETINGS

- 13.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 13.2 The quorum for Directors' meetings may be fixed from time to time by an ordinary resolution and unless otherwise fixed it is two.
- 13.3 A person holding office as an Alternate Director shall only be counted in the quorum if his Appointor is not present.
- 13.4 If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision:
- (a) to appoint further Directors; or
 - (b) to call a general meeting so as to enable the Shareholders to appoint further Directors.

14 CHAIRING OF DIRECTORS' MEETINGS

- 14.1 The Directors may appoint a Director to chair their meetings.
- 14.2 The person so appointed for the time being is known as the Chairman.
- 14.3 The Directors may terminate the Chairman's appointment at any time.
- 14.4 If the Chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair it.

15 CASTING VOTE

- 15.1 If the numbers of votes for and against a proposal are equal, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a casting vote.

16 CONFLICTS OF INTEREST

16.1 Power of Board to authorise Directors' interests

- 16.1.1 Subject to Article 16.1.4, the Board may authorise any matter which would, if not so authorised, result in a Director infringing his duty under section 175 of the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company.

- 16.1.2 Any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 16.1.3 A reference in these Articles to a conflict of interest includes a conflict of interest and duty and a conflict of duties.
- 16.1.4 Any authorisation given pursuant to Article 16.1:
- (a) may be given subject to any limits or conditions (including as to duration) as the Board may expressly impose from time to time; and
 - (b) may be varied or terminated by the Board at any time (but this will not affect anything done by the relevant Director prior to such variation or termination in accordance with the terms of such authority).
- 16.1.5 The provisions of this Article 16.1 do not apply to any conflict of interest arising in relation to a transaction or arrangement with the Company.
- 16.1.6 In relation to any matter authorised by the Board in accordance with the provisions of this Article 16.1, the relevant Director may (for so long as he reasonably believes such conflict of interest (or possible conflict of interest) subsists):
- (a) absent himself from any meeting of the Board at which any matter relating to the conflict of interest or possible conflict of interest will or may be discussed or from the discussion of any such matter at a meeting or otherwise;
 - (b) abstain from voting at any meeting of the Board on any resolution relating to any matter that gives rise to the conflict of interest or possible conflict of interest;
 - (c) make arrangements not to be given any documents or information relating to any matter which gives rise to the conflict of interest or possible conflict of interest sent or supplied by the Company;
 - (d) decide not to disclose any information which he has obtained in connection with the matter that gives rise to the conflict of interest or possible conflict of interest to the Board or to any Director or other officer or employee of the Company; and/or
 - (e) decide not to use or apply any such information in performing his duties as a Director of the Company
- and the relevant Director's general duties will not be infringed by anything done or omitted to be done by the relevant Director in accordance with paragraphs (a) to (e) above.
- 16.1.7 Subject to his declaring the nature and extent of the interest in accordance with section 184 or 185 of the Act (save in the case of an interest falling within paragraph (a) below which shall not require to be so declared), a Director is permitted to have an interest of the following kind:
- (a) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) where the Director (or a person connected with him) is a director or other officer of or employed by or otherwise interested (including by the holding of shares) in any Relevant Company;
 - (c) where the Director (or person connected with him) is a party to, or otherwise interested in any contract, transaction or arrangement with a Relevant Company or in which the Company is otherwise interested;

(d) where the Director (or any person connected with him) acts (or any firm of which is a partner, employee or member acts) in a professional capacity for an Relevant Company (other than as Auditor) whether or not he is remunerated for such actions;

(e) any other interest authorised by ordinary resolution,

and no authorisation pursuant to Article 16.1.1 shall be required in relation to such an interest.

16.1.8 For the purposes of this Article 16.1:

16.1.8.1 a "Relevant Company" shall mean;

- (i) the Company;
- (ii) any subsidiary or subsidiary undertaking of the Company;
- (iii) any holding company of the Company or any subsidiary or subsidiary undertaking of any such holding company;
- (iv) any body corporate promoted by the Company; or
- (v) any body corporate in which the Company is otherwise interested; and

16.1.8.2 a person is connected with a Director if he is connected to him in terms of section 252 of the Act.

16.1.9 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or any person connected with him) derives from any contract, transaction or arrangement or from any office, employment or position which has been approved by the Board pursuant to this Article 16.1.

16.2 Declaration of interests in proposed or existing transactions or arrangements with the Company

16.2.1 A Director who is in any way, directly or indirectly interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other Directors before the Company enters into the transaction or arrangement.

16.2.2 A Director who is in any way directly or indirectly interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other Directors as soon as is reasonably practicable unless the interest has already been declared pursuant to Article 16.2.1.

16.2.3 Any declaration required by Article 16.2.1 may (but need not be) be made at a meeting of the Directors or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act. Any declaration required by Article 16.2.2 must be made at a meeting of the Directors or by notice in writing in accordance with section 184 of the Act or by general notice in accordance with section 185 of the Act.

16.2.4 If a declaration made pursuant to Article 16.2.1 or 16.2.2 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made under Article 16.2.1 or 16.2.2 as appropriate.

16.2.5 A Director need not declare an interest if:

- (a) it cannot reasonably be regarded as likely to give rise to a conflict of interest;

- (b) or, to the extent that the other Directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware);
 - (c) or to the extent that, it concerns terms of his service contract that have been or are to be considered by a meeting of the Directors or by a committee of the Directors appointed for the purpose under these Articles; or
 - (d) the Director is not aware of his interest or is not aware of the transaction or arrangement in question (and for this purpose a director is treated as being aware of matters of which he ought reasonably to be aware).
- 16.2.6 Provided he has declared the nature and extent of his interest in accordance with Article 16.2.3, a Director shall be entitled to vote on any resolution of the Board or of a committee of the Board concerning any contract, transaction, arrangement or proposal to which the Company is or is to be a party and in which he or a person connected with him within the meaning of section 252 of the Act has an interest and shall be counted in the quorum for the meeting of Directors in relation to such contract, transaction, arrangement or proposal.
- 17 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**
- Subject to these Articles and the Act, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.
- 18 DIRECTORS MAY CHANGE THE NAME OF THE COMPANY**
- The Directors may change the name of the Company.
- 19 METHODS OF APPOINTING DIRECTORS**
- 19.1 Any person who is willing to act as a Director, and is permitted by law to do so, may be appointed to be a Director:
- (a) by ordinary resolution; or
 - (b) by a decision of the Directors.
- 19.2 In any case where, as a result of death, the Company has no Shareholders and no Directors, the personal representatives of the last Shareholder to have died have the right, by notice in writing, to appoint a person to be a Director.
- 19.3 For the purposes of article 19.2, where two or more Shareholders die in circumstances rendering it uncertain who was the last to die, a younger Shareholder is deemed to have survived an older Shareholder.
- 19.4 If as a result of death or Bankruptcy, the Company has no shareholders and no Directors, the Transmittee of the last Shareholder to have died or had a bankruptcy order made against him has the right by notice in writing to appoint any natural person who is willing to act and is permitted to do so, to be a Director.
- 19.5 Until such time as the University Group ceases to hold more than 5% of Shares in the equity share capital of the Company, the University shall have the right to appoint and maintain in office at its own cost one (1) Director (and to remove any Director so appointed and, upon his removal, to appoint another person to act as a Director in his place).
- 19.6 If the University chooses not to appoint a Director pursuant to Article 19.5, then until such time as the University Group ceases to hold more than 5% of Shares in the equity share capital of the Company, the University shall have the right to have, at its own cost, an

observer in attendance throughout any meeting of the board of Directors (or committee of Directors). Such observer shall not be entitled to vote on any matter and shall not be entitled to any fee. Such observer shall be given the same notice of any proposed meeting of the board or committee of Directors and papers relating thereto as any Director.

20 TERMINATION OF DIRECTOR'S APPOINTMENT

A person ceases to be a Director as soon as:

- (a) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law; or
- (b) a bankruptcy order is made against that person; or
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months; or
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (f) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- (g) he has, for more than six consecutive months been absent without the permission of the other Directors from meetings of Directors held during that period and the other Directors resolve that he has ceased to be a Director.

21 DIRECTORS' REMUNERATION

21.1 Directors may undertake any services for the Company that the Directors decide.

21.2 Directors are entitled to such remuneration as the Directors determine:

- (a) for their services to the Company as Directors; and
- (b) for any other service which they undertake for the Company.

21.3 A Director's remuneration may:

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that Director.

21.4 Unless the Directors decide otherwise, Directors' remuneration accrues from day to day.

21.5 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

22 DIRECTORS' EXPENSES

The Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:

- (a) meetings of Directors or committees of Directors;
- (b) general meetings;
- (c) separate meetings of the Holders of any class of Shares or of debentures of the Company; or

otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

23 SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement in each case by a decision of the Directors.

24 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

- 24.1 Without prejudice to the rights attached to any existing Share, the Company may issue Shares with such rights or restrictions as may be determined by ordinary resolution.
- 24.2 The Company may issue Shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the Holder, and the Directors may determine the terms, conditions and manner of redemption of any such Shares.

25 OFFERS OF NEW SHARES TO EXISTING SHAREHOLDERS

25.1 Save where:

- (a) the holders of not less than 80% of the Shares; and
- (b) the University (for so long as any University Group Member holds shares in the Company),

have given their prior written consent, the Directors must offer any Shares which they propose to offer or allot or grant rights to subscribe for or to convert any security into or otherwise deal in or dispose of to Shareholders in accordance with the provisions of this article 25 before allotting them to any other person.

25.2 The Directors must make an offer of Shares (the "Pre-emption offer") to each person who is a Shareholder on the date of the Pre-emption offer. Each Pre-emption offer must be made in writing to all Shareholders on the same day and must state:

- (a) the aggregate number of Shares to be allotted;
- (b) the terms of such allotment; and
- (c) the number of Shares offered for sale to the Shareholder to whom the Pre-emption offer is addressed.

- 25.3 The following conditions must be incorporated in the Pre-emption offer:
- (a) if the Shareholder wishes to purchase all or any of the Shares which are subject to the Pre-emption offer (the "**Offered Shares**"), he must accept such offer in writing in accordance with the provisions of article 72 within 14 days of the date of service of the Pre-emption offer (the "**Acceptance**"); and
 - (b) if the Shareholder wishes to purchase more than the number of Offered Shares he must indicate in the Acceptance, the maximum number of additional Shares he is willing to purchase (the "**Additional Acceptance**"); and
 - (c) if within 14 days of the date of service of the Pre-emption offer there are Shares which have not been accepted for purchase by the Shareholders, (the "**Surplus Shares**"), the Surplus Shares will be allocated to and deemed to be accepted by each Shareholder who has made an Additional Acceptance; and
 - (d) if there are insufficient Surplus Shares to satisfy all Additional Acceptances, the number of Surplus Shares to be allocated to each Shareholder who has made an Additional Acceptance shall be calculated according to the proportion which the number of Shares held by the relevant Shareholder as at the date of the Pre-emption offer bears to the aggregate number of Shares held by all Shareholders who have made an Additional Acceptance. Each Shareholder who made an Additional Acceptance will be deemed to agree to purchase the number of Surplus Shares allocated to him pursuant to such calculation; and
 - (e) each Shareholder must no later than five working days after the allocation of Shares to him pay to the Company the total subscription price payable for such Shares and upon payment of such sum, the Company must deliver a share certificate to the relevant shareholder for the number of Shares purchased by him.
- 25.4 If any Pre-emption offer is not accepted in full, the Directors may within three months after the date of such offer dispose of any Shares referred to in the Pre-emption offer and not allotted to any Shareholder to such person or persons as they think fit but only at the same price and on the same terms which were specified in the Pre-emption offer.
- 25.5 Sections 561 and 562(1) to (6) of the Act do not apply to the Company.
- 25.6 The provisions of this Article 25 shall not apply to any Approved Issue.
- 26 **COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS**
- The Company may recognise in such manner and to such extent as it may in its absolute discretion think fit any trusts in respect of Shares. If the Company does recognise any such trust, it is not bound to see to the execution, administration or observance of any trust (whether express, implied or constructive) in respect of any Shares and shall be entitled to recognise and give effect to the acts and deeds of the Holders of such Shares as if they were the absolute owners of such Shares. In this article, "trust" includes any right in respect of any shares other than an absolute right or any other rights in transmission.
- 27 **SHARE CERTIFICATES**
- 27.1 The Company must issue each Shareholder, free of charge, with one or more certificates in respect of the Shares which that Shareholder holds.
- 27.2 Every certificate must specify:
- (a) In respect of how many Shares and of what class it is issued;
 - (b) the nominal value of those Shares;

- (c) the amount paid up on them or that they are fully paid;
 - (d) any distinguishing numbers assigned to them.
- 27.3 No certificate may be issued in respect of Shares of more than one class.
- 27.4 If more than one person holds a Share, only one certificate may be issued in respect of the Share.
- 27.5 Certificates must:
- (a) have affixed to them the Company's common seal; or
 - (b) be otherwise executed in accordance with the Companies Acts.
- 28 REPLACEMENT SHARE CERTIFICATES**
- 28.1 If a certificate issued in respect of a Shareholder's Shares is:
- (a) damaged or defaced; or
 - (b) said to be lost, stolen or destroyed,
- that Shareholder is entitled to be issued with a replacement certificate in respect of the same Shares.
- 28.2 A Shareholder exercising the right to be issued with such a replacement certificate:
- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
 - (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced; and
 - (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the Directors decide.
- 29 COMPANY'S LIEN OVER PARTLY PAID SHARES**
- 29.1 The Company has a lien (the "Company's lien") over every Share which is partly paid for any part of:
- (a) that Share's nominal value, and
 - (b) any premium at which it was issued,
 - (c) which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a Call Notice has been sent in respect of it.
- 29.2 The Company's lien over a Share:
- (a) takes priority over any third party's interest in that Share, and
 - (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.
- 29.3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part.

30 ENFORCEMENT OF THE COMPANY'S LIEN

30.1 Subject to the provisions of this article, if:

- (a) a lien enforcement notice has been given in respect of a Share, and
 - (b) the person to whom the notice was given has failed to comply with it,
- the Company may sell that Share in such manner as the Directors decide.

30.2 A lien enforcement notice:

- (a) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (b) must specify the Share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the Holder of the Share or to a person entitled to it by reason of the Holder's death, Bankruptcy or otherwise; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

30.3 Where Shares are sold under this article:

- (a) the Directors may authorise any person to execute an instalment of transfer of the Shares to the purchaser or a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

30.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice,
- (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation or a suitable indemnity has been given for any lost certificates, and subject to a lien equivalent to the Company's lien over the Shares before the sale for any money payable in respect of the Shares after the date of the lien enforcement notice.

30.5 A statutory declaration by a Director or the Company that the declarant is a Director or the Company and that a Share has been sold to satisfy the Company's lien on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

31 CALL NOTICES

31.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "Call Notice") to a member requiring the member to pay the Company a specified sum of money (a "Call") which is payable in respect of Shares which that member holds at the date when the Directors decide to send the Call Notice.

31.2 A Call Notice:

- (a) may not require a member to pay a Call which exceeds the total sum unpaid on that member's Shares (whether as to the Share's nominal value or any amount payable to the Company by way of premium);
- (b) must state when and how any Call to which it relates it is to be paid; and
- (c) may permit or require the Call to be paid by instalments.

31.3 A member must comply with the requirements of a Call Notice, but no member is obliged to pay any Call before 14 days have passed since the notice was sent.

31.4 Before the Company has received any Call due under a Call Notice the Directors may:

- (a) revoke it wholly or in part, or
- (b) specify a later time for payment than is specified in the notice,
- (c) by a further notice in writing to the member in respect of whose Shares the Call is made.

32 LIABILITY TO PAY CALLS

32.1 Liability to pay a Call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.

32.2 Joint Holders of a Share are jointly and severally liable to pay all Calls in respect of that Share.

32.3 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the Holders of those Shares may require them:

- (a) to pay Calls which are not the same, or
- (b) to pay Calls at different times.

33 WHEN CALL NOTICE NEED NOT BE ISSUED

33.1 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):

- (a) on allotment;
- (b) on the occurrence of a particular event; or
- (c) on a date fixed by or in accordance with the terms of issue.

33.2 If the due date for payment of such a sum has passed and it has not been paid, the Holder of the Share concerned is treated in all respects as having failed to comply with a Call

Notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

34 FAILURE TO COMPLY WITH CALL NOTICE: AUTOMATIC CONSEQUENCES

34.1 In this article:

- (a) the "Call Payment Date" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "Call Payment Date" is that later date;
- (b) the "Relevant Rate" is:
 - (i) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;
 - (ii) such other rate as was fixed in the call notice which required payment of the Call, or has otherwise been determined by the Directors; or
 - (iii) if no rate is fixed in either of these ways, 5 per cent per annum.

34.2 If a person is liable to pay a Call and fails to do so by the Call Payment Date:

- (a) the Directors may issue a notice of intended forfeiture to that person, and
- (b) until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.

34.3 The Relevant Rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

34.4 The Directors may waive any obligation to pay interest on a Call wholly or in part.

35 NOTICE OF INTENDED FORFEITURE

A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- (b) must be sent to the Holder of that Share or to a person entitled to it by reason of the Holder's death, Bankruptcy or otherwise;
- (c) must require payment of the Call and any accrued interest by a date which is not less than 14 days after the date of the notice;
- (d) must state how the payment is to be made; and
- (e) must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

36 DIRECTORS' POWER TO FORFEIT SHARES

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture.

37 EFFECT OF FORFEITURE

37.1 Subject to these Articles the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose share it was prior to the forfeiture and the Company.

37.2 Any Share which is forfeited in accordance with these Articles:

- (a) is deemed to have been forfeited when the Directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.

37.3 If a person's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (b) that person ceases to be a member in respect of those Shares;
- (c) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that person remains liable to the Company for all sums payable by that person under these Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the Directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

37.4 At any time before the Company disposes of a forfeited Share, the Directors may decide to cancel the forfeiture on payment of all Calls and interest due in respect of it and on such other terms as they think fit.

38 PROCEDURE FOLLOWING FORFEITURE

38.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

38.2 A statutory declaration by a Director or the Company that the declarant is a Director of the Company and that a Share has been forfeited on a specified date:

- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

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

- 38.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- (a) was, or would have become, payable; and
 - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share;

but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

39 SURRENDER OF SHARES

- 39.1 A member may surrender any Share:

- (a) in respect of which the Directors may issue a notice of intended forfeiture;
- (b) which the Directors may forfeit; or
- (c) which has been forfeited.

- 39.2 The Directors may accept the surrender of any such Share.

- 39.3 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.

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

40 SHARE TRANSFERS- GENERAL

- 40.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor.
- 40.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.
- 40.3 The Company may retain any instrument of transfer which is registered.
- 40.4 The transferor remains the Holder of a share until the transferee's name is entered in the register of members as Holder of it.
- 40.5 Subject to Article 40.8 the Directors may refuse to register the transfer of a Share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal (which must contain the reasons for the refusal) unless they suspect that the proposed transfer may be fraudulent.
- 40.6 Save as expressly permitted by these Articles, a Shareholder must not enter into any arrangement where the terms upon which that Shareholder holds any Shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished.
- 40.7 Notwithstanding any other provision of these Articles, the Directors must not register a transfer of any Share or any interest in any Share to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.
- 40.8 Notwithstanding any other provision contained in these Articles, the Directors shall register the transfer of any Shares made from any University Group Member to any other University Group Member (without restriction as to price or otherwise).

41 DIRECTORS' POWERS ON TRANSFER OF SHARES

- 41.1 The Directors must not register the transfer of any Share or any interest in any Share unless the transfer is made in accordance with article 42 or article 43.
- 41.2 The Directors may at any time require any Shareholder or any person named as transferee in an instrument of transfer lodged for registration to give the Directors such information and evidence as the Directors believe is relevant to ensure that a transfer of Shares is being made in accordance with these Articles or that no circumstances have arisen which would result in a Transfer Notice being bound to be given or being deemed to have been given.
- 41.3 If the Directors are not given such information or evidence within 20 days after they have requested it, the Directors may in their absolute discretion give notice of refusal to register the transfer concerned together with reasons for the refusal to the person named as transferee or require the Shareholder by written notice to give a Transfer Notice in respect of the relevant Shares. If the information or evidence received by the Directors discloses to their satisfaction that a Shareholder may be bound to give or is deemed to have given a Transfer Notice, the Directors may in their absolute discretion by written notice to the relevant Shareholder require that a Transfer Notice be given in respect of the relevant Shares.
- 41.4 An obligation to transfer a Share under these Articles is an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or encumbrance.

42 PRE-EMPTIVE TRANSFERS

- 42.1 Save where the holders of 60% of the Shares have given their prior written consent, and subject to article 40.8 a Shareholder or person entitled to a Share by transmission is prohibited from transferring or disposing of or agreeing to transfer or dispose of or grant any interest or right in any Share to any person unless such Shares have been offered for sale to the other Shareholders in accordance with this article.
- 42.2 The offer referred to in article 42.1 must be effected as follows:
- (a) the Shareholder wishing to sell the Shares (the "Transferor") must serve notice in writing on the Company that he wishes to sell Shares (a "Transfer Notice");
 - (b) the Transfer Notice must:
 - (i) specify the number and class of Shares offered (the "Sale Shares"); and
 - (ii) specify the identity of any proposed transferee; and
 - (iii) unless the Transfer Notice is deemed to be given in accordance with these articles set out the price per Share at which the Sale Shares are proposed to be offered (the "Specified Price"); and
 - (iv) contain any other terms relating to the proposed sale; and
 - (v) state whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the provisions of this article (a "Total Transfer Condition"); and
 - (vi) relate to one class of Share only; and
 - (vii) appoint the Company as the agent of the transferor for the sale of the Sale Shares on the terms of this article; and
 - (viii) save as provided in article 42.8, be irrevocable; and

- (ix) not contain or be deemed to contain a total transfer condition unless this is both expressly stated and is permitted by these articles.
- 42.3 The Sale Shares shall be offered for purchase at a price per Sale Share (the "**Sale Price**") agreed between the transferor and the Directors. If they cannot agree the Sale Price by the end of the 20th working day after the date of service of the Transfer Notice, the Directors must instruct the Valuers to determine the open market value of each Sale Share in accordance with article 42.4 (the "**Market Value**") as at the date of service of the Transfer Notice.
- 42.4 If instructed by the Directors to report on Market Value, the Valuers shall:
- (a) act as expert and not as arbiter and their written determination shall be final and binding on the Shareholders (except in the case of manifest error); and
 - (b) proceed on the basis that the Market Value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the class of Shares of which the Sale Shares forms part, divided by the number of issued Shares then comprised in that class, and applying no premium or discount to take into account to the size of the holding the subject of the Transfer Notice and/or any restrictions on the transferability of the Sale Shares; and
 - (c) be entitled in their absolute discretion to appoint legal or other professional advisers to advise on the interpretation and effect of any records or documents provided to it for the purposes of determining the Market Value.
- 42.5 The Company must use its reasonable endeavours to procure that the Valuers deliver their report on the Market Value to the Directors and to the Transferor within 28 days of being requested to do so.
- 42.6 One half of the Valuers' fees for reporting on Market Value must be paid by the Transferor and the other half must be paid by the purchasers *pro rata* to the number of Sale Shares purchased by them unless:
- (a) the Transferor revokes the Transfer Notice pursuant to article 42.8; or
 - (b) none of the Sale Shares are purchased by the Shareholders pursuant to this article 42 ;
- when the Transferor shall pay all the Valuers' fees.
- 42.7 The Sale Price shall be the lower of:
- (a) the Specified Price; and
 - (b) the Market Value.
- 42.8 If the Market Value determined and reported by the Valuers is less than the Specified Price, the Transferor may revoke the Transfer Notice by giving written notice to the Directors within the period of seven working days after the date the Directors deliver the Valuers' report on Market Value to the Transferor.
- 42.9 Within 20 working days after the Sale Price has been agreed or determined, the Directors must give written notice (the "**Offer Notice**") to the Shareholders (other than the Transferor) of:
- (a) the Sale Price; and

- (b) the other information set out in the Transfer Notice; and
- (c) unless the Transfer Notice is deemed to be given as provided in these Articles, the identity of any proposed transferee,

and it must invite each Shareholder to state by written notice to the Company within 30 working days whether he is willing to purchase any of the Sale Shares and, if so, the maximum number of Shares he is willing to purchase.

- 42.10 The Sale Shares must be offered in the first instance to Shareholders who hold Shares of the same class as the Sale Shares and, to the extent not accepted by those Shareholders, to Shareholders holding Shares of other classes (but no Shares shall be treated as offered to the transferor or any other Shareholder who is then bound to give, has given or is deemed to have given a Transfer Notice).
- 42.11 After the expiry date of the Offer Notice, (or earlier if valid applications have been received for all the Sale Shares offered prior to such expiry date), the Directors must allocate the Sale Shares to or amongst the Shareholders in accordance with the applications received. If:
- (a) there are applications from any class of Shareholders for more than the number of Sale Shares available for that class, the Sale Shares shall be allocated to those Shareholders in proportion (as nearly as possible but without allocating to any Shareholder more Sale Shares than the maximum number applied for by him) to the number of Shares of the class which entitles them to receive such offer then held by them respectively;
 - (b) if it is not possible to allocate any of the Sale Shares without involving fractions, those Shares shall be allocated amongst the Shareholders of each class in such manner as the Directors think fit; and
 - (c) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.
- 42.12 Within five working days of the expiry date of the last Offer Notice, the Directors must give notice in writing (a "Sale Notice") to the Transferor and to each Shareholder to whom Sale Shares have been allocated (each a "Purchaser") specifying:
- (a) the name and address of each Purchaser; and
 - (b) the number of Sale Shares agreed to be purchased by him; and
 - (c) the total price payable for the Sale Shares.
- 42.13 Each Purchaser must no later than five working days after such allocation pay to the Transferor the total sale proceeds for the transfer of the relevant Sale Shares to him at the price per Share equal to the Sale Price (the "Proceeds of Sale") and upon payment of such sum, the Transferor must deliver the documents required to transfer the Sale Shares to the Company and the Directors must register such transfer and deliver the relevant share certificate to the relevant purchaser.
- 42.14 If the Transferor does not transfer the Sale Shares when required pursuant to article 42.13:
- (a) the Directors may authorise any person (who shall be deemed to be irrevocably appointed as the attorney of the Transferor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Transferor's behalf;
 - (b) the Company may receive the purchase money for such Sale Shares from the Purchaser and upon receipt (subject, if necessary, to the transfer being duly stamped) must register the purchaser as the Holder of such Sale Shares;

- (c) the Company must hold any purchase money paid to it in a separate bank account on trust for the Transferor but need not earn or pay interest on any money so held;
- (d) the Company's receipt for such purchase money will be a good discharge to the purchaser who is not required to see to the application of it; and
- (e) after the name of the Purchaser has been entered in the register of Shareholders, the validity of the proceedings cannot be questioned by any person.

42.15 The Transferor may, for 60 working days after the expiry date of the last Offer Notice, sell all or any of those Sale Shares for which a Sale Notice has not been given by way of *bona fide* sale to the proposed transferee (if any) named in the Transfer Notice or, if no transferee was named, to any person at any price per Sale Share which is not less than the Sale Price, provided that:

- (a) the Transferor may not transfer any Sale Share and the Directors shall not register any transfer to a transferee who is not at that date a Shareholder unless such transferee is first approved in writing by the Directors; and
- (b) if the Transfer Notice contained a Total Transfer Condition, the Transferor shall not be entitled to sell only some of the Sale Shares under this article unless he has obtained the written consent of all the other Shareholders.

43 COMPULSORY TRANSFERS

43.1 If:

- (a) a Shareholder (other than the Founder Investors) is an individual and:
 - (i) a bankruptcy order is made against him; or
 - (ii) he has died; or
 - (iii) by reason of his mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; or
- (b) a Shareholder makes or offers or purports to make any arrangement or composition with his creditors generally; or
- (c) a Shareholder who is, at the date of adoption of these Articles or who later becomes, an employee or consultant or secondee of the Company or any of its subsidiaries and who prior to the third anniversary of the date on which such person was appointed as an employee or consultant or secondee of the Company ceases to be an employee or consultant or secondee of the Company or any of its subsidiaries and does not continue thereafter in any capacity as an employee or consultant or secondee of the Company or any of its subsidiaries; or
- (d) a Shareholder does not give a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by article 41.3 or where otherwise required to do so by these Articles

the Directors may within the 12 months following the occurrence of the relevant event resolve that such event is a transfer event in relation to that Shareholder for the purposes of this article (a "Transfer Event").

43.2 If the Directors resolve that a Transfer Event has occurred, the Shareholder in respect of whom the Transfer Event has occurred (the "**Relevant Shareholder**") and any other Shareholder who has acquired Shares from him under a permitted transfer (directly or by

means of a series of two or more permitted transfers) shall be deemed to have immediately given a Transfer Notice (a "Deemed Transfer Notice") in respect of all such Shares then held by that Shareholder (including any Shares received by way of rights or on capitalisation).

- 43.3 A Transfer Notice given under article 41.3 shall be a "Deemed Transfer Notice" for the purposes of this article.
- 43.4 A Deemed Transfer Notice supersedes and cancels any then current Transfer Notice if it relates to some or all of the Shares referred to in the Transfer Notice except for Shares which have been validly transferred pursuant to that Transfer Notice.
- 43.5 Notwithstanding any other provision of these Articles, if the Directors so decide, any Shareholder who holds Shares which are subject to a Deemed Transfer Notice must not from the date of the relevant Deemed Transfer Notice until the date of entry in the register of Shareholders of the Company of another person as the holder of those Shares, exercise any voting rights at general meetings of the Company in respect of those Shares.
- 43.6 Shares which are the subject of a Deemed Transfer Notice must be offered for sale in accordance with article 42 as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Transferor the Shareholder who is deemed to have given the Deemed Transfer Notice save that:
- (a) the Sale Price shall be a price per Sale Share agreed between the Transferor and the Directors or, in default of agreement within 15 working days after the Directors resolving that a Transfer Event has occurred, the Market Value determined by the Valuers in accordance with article 42.4;
 - (b) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable;
 - (c) the Transferor may retain any Sale Shares for which Purchasers are not found;
 - (d) the Sale Shares must be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date.
- 43.7 In the event that a Shareholder is at the date of adoption of these Articles, or who later becomes, an employee or consultant or secondee of the Company or any of its subsidiaries and who subsequently ceases to be an employee or consultant or secondee of the Company or any of its subsidiaries and does not continue thereafter in any capacity as an employee or consultant or secondee of the Company or any of its subsidiaries then, the Directors may within 12 months following the occurrence of the relevant cessation referred to above resolve that the relevant Shareholder's rights to attend general meetings of the Company and to vote thereat shall, be determined by a majority resolution of the Board.
- 43.8 In the event that the Board passes a resolution in accordance with the terms of article 43.7 the Board shall be entitled to resolve that the terms of article 43.7 shall cease to apply and from the passing of such subsequent Board resolution the rights of the Shareholder to attend general meetings of the Company and vote at general meetings of the Company shall no longer be subject to determination by a majority resolution of the Board and such Shareholder shall be entitled to exercise his rights as a Shareholder, free from such restriction, but always in accordance with these Articles.
- 44 **TRANSMISSION OF SHARES**
- 44.1 If title to a Share passes to a Transmittée, the Company may only recognise the Transmittée as having any title to that Share.

- 44.2 A Transmittree who produces such evidence of entitlement to Shares as the Directors may properly require:
- (a) may, within 28 clear days of written notice to that effect, choose either to become the Holder of those Shares or to have them transferred to another person (and if no choice is made by the Transmittree, he shall be deemed to have elected to become the Holder of those Shares); and
 - (b) pending any transfer of the Shares to another person, has the same rights as the Holder had save that the Transmittree does not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of Shares to which he is entitled, by reason of the Holder's death or Bankruptcy or otherwise, unless he becomes the Holder of those Shares.
- 44.3 Article 43 shall apply to the notice referred to in article 44.2(a) as if it were an instrument of transfer executed by the member and the event resulting in title to the Share passing to the Transmittree had not occurred.
- 45 **EXERCISE OF TRANSMITTEES' RIGHTS**
- 45.1 Transmittrees who wish to become the Holders of Shares to which they have become entitled must notify the Company in writing of that wish.
- 45.2 If the Transmittree wishes to have a Share transferred to another person, the Transmittree must execute an instrument of transfer in respect of it.
- 45.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the Transmittree has derived rights in respect of the Share, and as if the event which gave rise to the transmission had not occurred.
- 46 **TRANSMITTEES BOUND BY PRIOR NOTICES**
- If a notice is given to a Shareholder in respect of Shares and a Transmittree is entitled to those Shares, the Transmittree is bound by the notice if it was given to the Shareholder before the Transmittree's name or the name of the person nominated under article 44.2 has been entered in the register of members.
- 47 **FRACTIONAL ENTITLEMENTS**
- 47.1 If on any consolidation and division or sub-division of Shares members are entitled to fractions of Shares, the Directors may:
- (a) sell the Shares representing the fractions to any person (including the Company) for the best price reasonably obtainable; and
 - (b) distribute the net proceeds of sale in due proportion among the Holder of the Shares.
- 47.2 Where any Holder's entitlement to a portion of the proceeds of sale amounts to less than a minimum figure determined by the Directors, that member's portion may be distributed to an organisation which is a charity for the purposes of the law of England and Wales, Scotland or Northern Ireland.
- 47.3 The person to whom the Shares are transferred is not obliged to ensure that any purchase money is received by the person entitled to the relevant fractions.
- 47.4 The transferee's title to the Shares is not affected by any irregularity in or invalidity of the process leading to their sale.

48 TAG ALONG

- 48.1 The provisions of article 48.1 to article 48.6 shall apply if, in one or a series of related transactions, one or more sellers ("Sellers") propose to transfer any of their Shares (a "Proposed Transfer") which would, if carried out, result in any person (the "Buyer"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 48.2 Before making a Proposed Transfer, the Sellers shall procure that the Buyer makes an offer (the "Offer") to:
- (a) the other Shareholders to purchase all of the Shares held by them;
 - (b) the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise on or before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time on or before the Proposed Transfer; and
 - (c) the holders of any securities of the Company that are convertible into Shares ("Convertible Securities"), to purchase any Shares arising from the conversion of such Convertible Securities at any time on or before the Proposed Transfer,
- for a consideration in cash per Share that is at least equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or, if higher, in any related previous transaction in the 6 months preceding the date of the Proposed Transfer ("Specified Price").
- 48.3 The Offer shall be given by written notice ("Offer Notice"), at least 10 Business Days ("Offer Period") before the proposed sale date ("Sale Date"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- (a) the identity of the Buyer;
 - (b) the purchase price and other terms and conditions of payment;
 - (c) the Sale Date; and
 - (d) the number of Shares proposed to be purchased by the Buyer ("Offer Shares").
- 48.4 If the Buyer fails to make the Offer to all of the persons listed in article 48.2 in accordance with article 48.2 and article 48.3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 48.5 If the Offer is accepted by any Shareholder ("Accepting Shareholder") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders.
- 48.6 The Proposed Transfer is subject to the pre-emption provisions of Article 42, but the purchase of Offer Shares from Accepting Shareholders shall not be subject to those provisions.

49 DRAG ALONG

- 49.1 If the holders of 60% of the Shares in issue for the time being (the "Selling Shareholders") wish to transfer all of their interest in the Shares (the "Sellers' Shares") to a bona fide purchaser on arm's length terms (the "Proposed Buyer"), the Selling Shareholders may require all other Shareholders (the "Called Shareholders") to sell and transfer all their

shares to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this Article (the "Drag Along Option").

- 49.2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (the "Drag Along Notice") at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify:
- (a) that the Called Shareholders are required to transfer all their Shares (the "Called Shares") pursuant to this article 49;
 - (b) the person to whom the Called Shares are to be transferred;
 - (c) the consideration payable for the Called Shares which shall, for each Called Share, be an amount equal to the price per share offered by the Proposed Buyer for the Sellers' Shares; and
 - (d) the proposed date of the transfer.
- 49.3 Once issued, a Drag Along Notice shall be irrevocable. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 60 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 49.4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this article 49.
- 49.5 Completion of the sale of the Called Shares shall take place on the Completion Date. Completion Date means the date proposed for completion of the sale of the Sellers' Shares unless all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders.
- 49.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 49.7 Within 15 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their shares pursuant to article 49.2(c) to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to article 49.2(c) in trust for the Called Shareholders without any obligation to pay interest.
- 49.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due pursuant to article 49.2(c), the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 49 in respect of their Shares.
- 49.9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, to deliver such transfer(s) to the Proposed Buyer (or as they

may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this article 49.

- 49.10 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or on the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this article 49 shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

50 PROCEDURE FOR DECLARING DIVIDENDS

- 50.1 The Company may by ordinary resolution declare dividends, and the Directors may decide to pay interim dividends.
- 50.2 A dividend must not be declared unless the Directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the Directors.
- 50.3 No dividend may be declared or paid unless it is in accordance with Shareholders' respective rights.
- 50.4 Unless the Shareholders' resolution to declare or Directors' decision to pay a dividend, or the terms on which Shares are issued, specify otherwise, it must be paid by reference to each Shareholder's holding of Shares on the date of the resolution or decision to declare or pay it.
- 50.5 If the Company's share capital is divided into different classes, no interim dividend may be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.
- 50.6 The Directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 50.7 If the Directors act in good faith, they do not incur any liability to the Holders of Shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on Shares with deferred or non-preferred rights.

51 CALCULATION OF DIVIDENDS

- 51.1 If any Share is issued on terms providing that it ranks for dividend as from a particular date, that Share ranks for dividend accordingly.
- 51.2 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a Share in advance of the due date for payment of that amount.

52 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

- 52.1 In these Articles, the "Distribution Recipient" means, in respect of a Share on which a dividend or other sum is payable:
- (a) the Holder of the Share; or
 - (b) if the Share has two or more joint Holders, whichever of them is named first in the register of members; or

- (c) If the Holder is no longer entitled to the Share by reason of death or Bankruptcy, or otherwise by operation of law, the Transmittee.

52.2 Where a dividend or other sum which is a distribution is payable in respect of a Share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the Directors may otherwise decide; or
- (b) sending a cheque made payable to the Distribution Recipient by post to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is a Holder of the Share), or (in any other case) to an address specified by the Distribution Recipient either in writing or as the Directors may otherwise decide; or
- (c) sending a cheque made payable to such person by post to such person at such address as the Distribution Recipient has specified either in writing or as the Directors may otherwise decide; or
- (d) any other means of payment as the Directors agree with the Distribution Recipient either in writing or by such other means as the Directors decide.

53 NO INTEREST ON DISTRIBUTIONS

The Company must not pay interest on any dividend or other sum payable in respect of a Share unless otherwise provided by:

- (a) the terms on which the Share was issued; or
- (b) the provisions of another agreement between the Holder of that Share and the Company.

54 UNCLAIMED DISTRIBUTIONS

54.1 All dividends or other sums which are:

- (a) payable in respect of Shares; and
- (b) unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed.

54.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.

54.3 If:

- (a) 12 years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the Distribution Recipient has not claimed it,

the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

55 NON-CASH DISTRIBUTIONS

- 55.1 Subject to the terms of issue of the Share in question, the Company may, by ordinary resolution on the recommendation of the Directors, decide to pay all or part of a dividend or other distribution payable in respect of a Share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 55.2 For the purposes of paying a non-cash distribution, the Directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:
- (a) fixing the value of any assets;
 - (b) paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of recipients; and
 - (c) vesting any assets in trustees.

56 WAIVER OF DISTRIBUTIONS

Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a Share by giving the Company notice in writing to that effect, but if:

- (a) the Share has more than one Holder; or
- (b) more than one person is entitled to the Share, whether by reason of the death or Bankruptcy of one or more joint Holders, or otherwise;
- (c) the notice is not effective unless it is expressed to be given, and signed, by all the Holders or persons otherwise entitled to the Share.

57 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

- 57.1 The Directors may, if they are so authorised by an ordinary resolution:
- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
 - (b) appropriate any sum which they so decide to capitalise (a "Capitalised Sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "Persons Entitled") and in the same proportions.
- 57.2 Capitalised Sums must be applied:
- (a) on behalf of the Persons Entitled; and
 - (b) in the same proportions as a dividend would have been distributed to them.
- 57.3 Any Capitalised Sum may be applied in paying up new Shares of a nominal amount equal to the Capitalised Sum which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.
- 57.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as Fully Paid to the Persons Entitled or as they may direct.

57.5 The Directors may:

- (a) apply Capitalised Sums in accordance with articles 57.3 and 57.4 partly in one way and partly in another; and
- (b) make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of Shares and debentures to them under this article.

58 NOTICE OF GENERAL MEETINGS

The notice of a general meeting of the Company must state:

- (a) the time and date of the meeting;
- (b) the place of the meeting; and
- (c) the general nature of the business to be transacted.

59 ANNUAL GENERAL MEETINGS

The Company is not required to hold an annual general meeting.

60 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

60.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

60.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

60.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

60.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.

60.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

61 QUORUM FOR GENERAL MEETINGS

61.1 The quorum at any general meeting of the Company shall be two persons present in person or by proxy save in the case of a company with a single member in which case, one member present in person or by proxy shall be a quorum.

- 61.2 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

62 CHAIRING GENERAL MEETINGS

- 62.1 If the Directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

- 62.2 If the Directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- (a) the Directors present; or
- (b) (if no Directors are present), the meeting must appoint a Director or Shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

- 62.3 The person chairing a meeting in accordance with this article is referred to as the "chairman of the meeting".

63 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

- 63.1 Directors may attend and speak at general meetings, whether or not they are Shareholders.

- 63.2 The chairman of the meeting may at the relevant meeting permit other persons who are not:

- (a) Shareholders of the Company; or
- (b) otherwise entitled to exercise the rights of Shareholders in relation to general meetings;

to attend and speak at such meeting.

64 ADJOURNMENT

- 64.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

- 64.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment; or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

- 64.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

- 64.4 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

64.5 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least seven clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given; and
- (b) containing the same information which such notice is required to contain.

64.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

65 VOTING: GENERAL

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these Articles.

66 VOTING: MENTAL DISORDER

If a court has appointed a person to manage the affairs of a member as a result of a mental disorder of such member, the person appointed by that court may, provided he has not less than 48 hours before the time appointed for the relevant meeting, deposited at the registered office of the Company evidence to the satisfaction of the Directors that he has authority to exercise the right to vote, attend any general meeting of the Company and vote at such meeting whether on a show of hands or on a poll.

67 ERRORS AND DISPUTES

67.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

67.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

68 POLL VOTES

68.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote; or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

68.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the Directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the Shareholders having the right to vote on the resolution.

68.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken; and
- (b) the chairman of the meeting consents to the withdrawal

and such demand will not invalidate the result of a show of hands declared before the demand was made.

- 68.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs. The result of the poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
- 68.5 A demand for a poll does not prevent a general meeting from continuing except as regards the question on which the poll was demanded.
- 68.6 No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven days' notice must be given specifying the time and place at which the poll is to be taken.

69 CONTENT OF PROXY NOTICES

- 69.1 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:
- (a) states the name and address of the Shareholder appointing the proxy;
 - (b) identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
 - (c) is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Directors may determine; and
 - (d) is delivered to the Company in accordance with these Articles and any instructions contained in the notice of the general meeting to which they relate.
- 69.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 69.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 69.4 Unless a proxy notice indicates otherwise, it must be treated as:
- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
 - (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

70 DELIVERY OF PROXY NOTICES

- 70.1 Any notice of a general meeting must specify the address or addresses ("**Proxy Notification Address**") at which the Company or its agents will receive proxy notices relating to that meeting, or any adjournment of it, delivered in hard copy or electronic form.
- 70.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 70.3 Subject to articles 70.4 and 70.5, a proxy notice must be delivered to a Proxy Notification Address not less than 48 hours before the general meeting or adjourned meeting which it relates. A Proxy Notice which is not delivered in such manner shall be invalid unless the Directors in their absolute discretion accept the Proxy Notice at any time before the meeting.

- 70.4 In the case of a poll taken more than 48 hours after it is demanded, the notice must be delivered to a Proxy Notification Address not less than 24 hours before the time appointed for the taking of the poll.
- 70.5 In the case of a poll not taken during the meeting but taken not more than 48 hours after it was demanded, the Proxy Notice must be delivered:
- (a) in accordance with article 70.3; or
 - (b) at the meeting at which the poll was demanded to the chairman, secretary or any Director.
- 70.6 An appointment under a Proxy Notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 70.7 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 70.8 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the Appointor's behalf.
- 71 AMENDMENTS TO RESOLUTIONS**
- 71.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
 - (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 71.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
 - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 71.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.
- 72 NOTICES AND COMMUNICATION**
- 72.1 The Company may send, supply or give any document, information or notice to a Shareholder by hard copy, electronic form or by making that document or information available on a website and giving notice of the availability of that document or information to the relevant Shareholder (provided that Shareholder has individually agreed (or is deemed to have agreed) to the Company sending or supplying documents or information generally or those documents or information in question to him by means of a website), in each case subject to the provisions of sections 1143 to 1148 and Schedule 5 of the Act.

- 72.2 A notice given by means of a website shall be deemed to have been sent, supplied or given when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 72.3 Any document, information or notice which is required to be sent or given to the Company shall be sent by hard copy or electronic form in each case, subject to the provisions of sections 1143 to 1148, Schedule 4 and Schedule 5 of the Act.
- 72.4 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address;
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a working day.

- 72.5 Proof that an envelope containing a document, notice or information was properly addressed, prepaid and posted shall be conclusive evidence that the document, notice or information was sent, supplied or given by post. A comprehensive transaction report or log generated by fax machine, suitably certified by or on behalf of the Company, shall be conclusive evidence that a document, notice or information was sent, supplied or given by fax. A copy of a record of the total number of recipients sent to or each recipient to whom an e-mail message was sent together with any notices of failed transmissions and copies of records of subsequent re-sending, suitably certified by or on behalf of the Company, shall be conclusive evidence that the document, notice or information was sent, supplied or given by e-mail.
- 72.6 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.
- 72.7 A Director may agree with the Company that notices or documents sent to that Director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.
- 72.8 Any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.

73 COMPANY SEALS

- 73.1 Any common seal may only be used by the authority of the Directors.

73.2 The Directors may decide by what means and in what form any common seal is to be used.

73.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

73.4 For the purposes of this article, an authorised person is:

- (a) any Director of the Company;
- (b) the Company secretary (if any); or
- (c) any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

74 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

Except as provided by law or authorised by the Directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a Shareholder.

75 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

The Directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a Director or former Director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

76 INDEMNITY AND INSURANCE

76.1 Subject to article 76.2, but without prejudice to any indemnity to which he is otherwise entitled, a Relevant Director may be indemnified out of the Company's assets against:

- (a) any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company; and/or
- (b) any other liability incurred by that Director as an officer of the Company or an associated company.

76.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

76.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Director in respect of any Relevant Loss.

76.4 In this article:

- (a) a "Relevant Director" means any Director or former Director of the Company or an associated Company;
- (b) a "Relevant Loss" means any loss or liability which has been or may be incurred by a Relevant Director in connection with that Director's duties or powers in relation to the Company, any associated Company or any pension fund or employees' share scheme of the Company or associated Company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.