

Company No: 2804081

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ZYLEPSIS LIMITED

as amended by Special Resolutions dated
5th October, 22nd December 1998 and
11th May 2000 and 22 June 2001



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of

ZYLEPSIS LIMITED

(as adopted by Special Resolutions passed on 27th October 1997
and amended by Special Resolutions dated 5th October,
22nd December 1998, 11th May 2000 and 22 June 2001)

1. **PRELIMINARY**

1.1 The regulations contained in Table A as prescribed by the regulations made under the Act in force at the date of the adoption of these Articles of Association (hereinafter referred to as "Table A") shall apply to the Company in so far as these Articles do not exclude or modify Table A. A reference herein to any regulation is to that regulation as set out in Table A.

1.2 In these Articles the following words and expressions shall, unless the context requires otherwise, have the meanings set out below:-

"the Act" means the Companies Act 1985 including every statutory modification or re-enactment thereof for the time being in force

"A" Ordinary Shares"

means the "A" ordinary shares of 10 pence each in the capital of the Company having the rights set out in Article 2.2

"Arrears"

means in relation to any share, all accruals, deficiencies and arrears of any dividend payable in respect of such share together with all interest and other amounts payable thereon

"Asset Sale"

means the completion of a transaction or a series of transactions (whether related or not) whereby any person or group of persons purchases the whole or substantially the whole of the business and assets of the Company

"the Auditors"

means the auditors for the time being of the Company

"B" Ordinary Shares"

means the "B" ordinary shares of 10p each in the capital of the Company having the rights set out in Article 2.2

"the Business"

means research and product development and manufacture in the area of food ingredients, flavours, fragrances and personal care ingredients

"C" Ordinary Shares"

means the "C" Ordinary Shares of £0.10 each in the capital of the Company having the rights set out in Article 2.2

"the Directors"

means all the directors from time to time of the Company or a quorum of such directors present at a properly convened meeting of the directors

"Equity Share Capital"

means collectively, the "C" Ordinary Shares, "B" Ordinary Shares, the "A" Ordinary Shares and the Ordinary Shares and for the purposes of these Articles and otherwise the "B" Ordinary Shares, the "A" Ordinary Shares and the Ordinary Shares shall be treated as separate classes

"the Founders"

means Dr Peter Cheetham, Professor

Christopher Knowles and John Sime and a reference to a "Founder" shall be construed accordingly

"Investment Fund"

means any person, company, trust, limited partnership or fund holding shares for investment purposes and not being a Relevant Executive or any person acquiring shares directly or indirectly from a Relevant Executive

"Investor Directors"

has the meaning given to such term in the Subscription Agreement

"Listing"

means the admission of any of the shares of the Company to, or the granting of permission for any of the shares of the Company to be dealt on, the Official List of the London Stock Exchange Limited, NASDAQ, EASDAQ or any other Securities Market approved by PTIL (for as long as Prelude is a shareholder in the Company) and 3i Group plc and The Korda Seed Capital Fund LP (in each case for as long as both are shareholders in the Company)

"Loan Stock"

means up to £3,000,000 Convertible Unsecured Loan Stock 2002 created by the Company on 11th May 2000

"Market Capitalisation"

means either:

(a) in the case of a Listing, the amount obtained by multiplying the price at which shares in the Company are listed by the number of "A" Ordinary Shares, "B" Ordinary Shares and Ordinary Shares in issue (including "A" Ordinary Shares, "B" Ordinary Shares and Ordinary Shares in the Company under option pursuant to an employee share option scheme and any other options granted by the Company to employees) immediately upon a Listing becoming effective excluding any new shares issued in connection with the Listing; or

(b) in the case of the sale of the entire issued share capital of the Company, the maximum aggregate price or value of the consideration to be paid by the purchaser(s) in connection therewith; or

(c) in the case of an Asset Sale, the maximum aggregate price or value of the consideration to be paid by the purchaser(s) in connection therewith;

and in the case of any dispute as to the calculation of the Market Capitalisation the Company shall refer the matter to the Auditors and the Auditors shall determine and certify the amount of the Market Capitalisation. The Auditors shall act at the cost and expense of the Company as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination or certification or by anything done or omitted to be done by them

“a Member of the same Group”

means, as regards any company, a company which is for the time being a holding company or a subsidiary of that company or of any such holding company (“subsidiary” and “holding” company shall have the meanings attributed thereto in section 736 of the Act)

“Minimum Sale Price”

means, in relation to a sale of the entire issued share capital of the Company or an Asset Sale, the price per share, being not less than £5.20 per share, obtained by dividing the aggregate amount paid by the Purchaser by the total number of shares in issue immediately prior to such sale or Asset Sale provided that for the purposes of calculating the number of such shares there shall be disregarded any variation that may have occurred in the Company's share capital during the period from the date of

adoption of these Articles to the date of such sale or Asset Sale (including, without limitation, any sub-division, consolidation, conversion or bonus issue) and in the case of any dispute as to the calculation of the Minimum Sale Price then the Company shall refer the matter to the Auditors and the Auditors shall determine and certify the amount considered to be the Minimum Sale Price. The Auditors shall act at the cost and expense of the Company as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such persons by reason of their determination or certification or by anything done or omitted to be done by them

"Ordinary Shares"

means the ordinary shares of 10p each in the capital of the Company having the rights set out in Article 2.2

"Permitted Transfer"

means a transfer of shares authorised by Article 4

"Permitted Transferee"

means a person, firm or unincorporated association to whom or which shares have been transferred pursuant to a Permitted Transfer

"Preference Shares"

means the redeemable preference shares of 1 pence each in the capital of the Company having the rights set out in Article 2.2

"Prelude"

means Prelude Trust plc (No 328560)

"PTIL"

means Prelude Technology Investments Limited (No. 186993)

"relevant EEA market" and "approved securities market"

have the meanings as set out in the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996

"Relevant Executive"

means a director or employee of, or a consultant to, the Company or any subsidiary of the Company

"the Relevant Shares"

means (so far as the same remain for the time being held by Transferee Company) the shares originally acquired by such Transferee Company and any additional shares issued to such Transferee Company by way of capitalisation or acquired by such Transferee Company in exercise of any right or option granted or arising by virtue of the holding of such shares or any of them or the membership thereby conferred

"Sale"

means the sale of any part of the Equity Share Capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these Articles) with such person holding more than 50% of the Equity Share Capital

"Securities Market"

means a relevant EEA market or an approved securities market

"Service Agreement"

includes any written or other contract of employment or for services

"Subscription Agreement"

means the subscription and shareholders agreement dated the date of adoption of these Articles made between the Company and certain of the members relating, inter alia, to the subscription of shares in the Company, as varied and supplemented for the time being

"Subscription Price"

means in relation to any share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such share was issued whether or not such premium is applied for any purpose thereafter)

"Transferee Company"

means a company for the time being holding shares in consequence, directly or indirectly, of a transfer or series of transfers or shares between Members of the same Group (the relevant Transferor Company in the case of a series of such transfers being

the first transferor in such series)

"Transferor Company"

means a company (other than a Transferee Company) which has transferred or proposes to transfer shares to a Member of the same Group

"Transfer Notice"

means a notice in accordance with Article 5 that a member desires to transfer his shares.

2. SHARE CAPITAL

2.1 The share capital of the Company at the date of adoption of these Articles is £1,040,703.30 divided into 540,000 "C" Ordinary Shares, 1,095,576 "B" Ordinary Shares, 625,000 "A" Ordinary Shares, 646,457 Ordinary Shares and 75,000,000 Preference Shares.

2.2 The rights attaching to the respective classes of shares shall be as follows:-

2.2.1 As regards dividends:

- (i) the Company shall apply any profits which the Directors resolve to distribute, to the holders of the "C" Ordinary Shares, the "B" Ordinary Shares, the "A" Ordinary Shares, and the Ordinary Shares in respect of their holdings of such shares *pari passu* and *pro rata* to the number of such shares held by each of them;
- (ii) the holders of the Preference Shares shall not be entitled to receive any dividends or participate in the profits of the Company;

2.2.2 As regards capital:

on a return of assets on liquidation or capital reduction or otherwise the surplus assets of the Company remaining after the payment of its liabilities shall be applied:

- (i) first, in paying to the holders of the "C" Ordinary Shares an amount per share equal to the Subscription Price per share together with a sum equal to any Arrears to be calculated down to the date of the return of capital;
- (ii) secondly, in paying to the holders of the "B" Ordinary Shares an amount per share equal to the Subscription Price per share together with a sum equal to any Arrears to be calculated down to the date of the return of capital;
- (iii) thirdly in paying to the holders of the Preference Shares an amount per share equal to the Subscription Price per share;

- (iv) fourthly in paying to the holders of the "A" Ordinary Shares an amount per share equal to the Subscription Price per share together with a sum equal to any Arrears to be calculated down to the date of the return of capital; and
- (v) the balance of such assets shall belong to and be distributed amongst the holders of the "C" Ordinary Shares, the "B" Ordinary Shares, the "A" Ordinary Shares and the Ordinary Shares *pari passu* (as if the same constituted one class of share) in proportion to the amounts paid up or credited as paid up on such shares.

2.2.3 As regards voting in general meetings:

- (i) the holders of the "C" Ordinary Shares, the "B" Ordinary Shares, the "A" Ordinary Shares and the Ordinary Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; on a show of hands every holder of "C" Ordinary Shares, every holder of "B" Ordinary Shares, every holder of "A" Ordinary Shares and every holder of Ordinary Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of "C" Ordinary Shares, every holder of "B" Ordinary Shares, every holder of "A" Ordinary Shares and every holder of Ordinary Shares so present shall have one vote for each such share held by him; and
- (ii) the holders of the Preference Shares shall have no right to attend, vote at (in person or by proxy) or receive notice of any general meeting of the Company in respect of their holdings of Preference Shares.

2.2.4 As regards redemption:

subject to the provisions of the Act:

- (i) if, prior to 31 July 2000 a Listing shall have occurred; the Market Capitalisation on such Listing is not less than £21.5 million; the listed shares in the Company are freely tradeable (as defined in Article 2.2.6 below); and the shares of the Company which are listed have at any time following Listing attained a price, as shown on the Official List or, if relevant, other quotation system, which, if adjusted so as to disregard any variation that may have occurred in the Company's share capital during the period from the date of the adoption of these Articles to the date when the aforementioned price has been attained (including without limitation, any sub-division, consolidation, conversion or bonus issue) is not less than £5.20

per share (the "**Minimum Price**"), all of the Preference Shares then in issue shall be redeemed 20 days thereafter at twice the nominal value per share;

- (ii) if, prior to 31 July 2000, a sale of the entire issue capital or an Asset Sale shall have occurred; and the Market Capitalisation arising from such sale is not less than £21.5 million, all of the Preference Shares then in issue shall be redeemed 20 days thereafter at twice the nominal value per share;
- (iii) if, during the period from and including 31 July 2000 to 31 July 2002, a Listing shall have occurred; the Market Capitalisation arising on such Listing is not less than £31.5 million; the listed shares of the Company are freely tradeable; and the shares of the Company which are listed have at any time following Listing attained the Minimum Price, all of the Preference Shares then in issue shall be redeemed 20 days thereafter at twice the nominal value per share; and
- (iv) if, during the period from and including 31 July 2000 to 31 July 2002, a sale of the entire issued share capital or an Asset Sale shall have occurred; and the Market Capitalisation arising from such sale is not less than £31.5 million, all of the Preference Shares then in issue shall be redeemed 20 days thereafter at twice the nominal value per share.

2.2.5 if by 31 July 2002 none of Articles 2.2.4(i), 2.2.4(ii), 2.2.4(iii) 2.2.4(iv) has been satisfied the Preference Shares shall, subject to the Act, all be redeemed at the nominal value per share 20 days following the first of the following conditions to be satisfied:-

- (i) a Listing having occurred, the listed shares in the Company being freely tradeable and the shares of the Company which are listed having at any time following Listing attained the Minimum Price; or
- (ii) a sale of the entire issued share capital of the Company or an Asset Sale having occurred and a Minimum Sale Price having been attained.

2.2.6 for the purposes of Articles 2.2.4(i) and 2.2.4(iii) and 2.2.5(i), the shares of the Company shall be deemed to be "**freely tradeable**" if no shareholder of the Company remains subject to any undertaking (whether as a requirement of the relevant Securities Market or otherwise) given in connection with the Listing restricting him or it from selling, disposing or transferring any of or any interest in, the shares in the Company which are listed or agreeing to dispose of any such shares;

- 2.2.7 redemption shall be effected by giving to the holders of the Preference Shares to be redeemed not less than two weeks' notice (a "**redemption notice**"). The redemption notice shall specify the date fixed for redemption (the "**redemption date**") and the place at which the certificates for the Preference Shares are to be presented for redemption. On the redemption date each holder whose Preference Shares are to be redeemed is bound to deliver to the Company at the place stated in the redemption notice the certificate (or certificates) for those shares. On receipt, the Company shall pay to the holder (or, in the case of joint holders, to the holder whose name stands first in the register in respect of the Preference Shares) the redemption moneys due to him;
- 2.2.8 if a holder whose Preference Shares are to be redeemed fails to deliver the certificate (or certificates) for those shares to the Company, the Company may retain the redemption moneys. The redemption moneys shall be paid to the holder (by cheque despatched at the holder's risk) within five business days of receipt of the certificate (or certificates) or an indemnity in respect of the certificate (or certificates) in a form satisfactory to the board. No person has a claim against the Company for interest on retained redemption moneys;
- 2.2.9 if the Company is unable under the Act to redeem any Preference Shares which have become due for redemption, they shall instead be redeemed on the earliest date the Company is thereafter able to effect such redemption;
- 2.2.10 the Company may with the prior written consent of all the holders of the Preference Shares by notice in writing to the holders of the Preference Shares served at any time elect that all or part of the Preference Shares in issue at such date should be redeemed at a price agreed by the Company and all such holders on a date which is specified in the notice being not less than seven days nor more than 28 days after the date of such notice. The number of such shares to be redeemed by the Company shall only be permitted in tranches of 1,000 shares other than in the case of the redemption of all the Preference Shares in issue at the date specified in the notice. Any such notice shall not be revoked without the consent of all of the holders of the Preference Shares and shall be binding on the Company and such holders;
- 2.2.11 if a notice is served pursuant to Article 2.2.10, the provisions of Articles 2.2.7 and 2.2.8 shall, mutatis mutandis, apply;
- 2.2.12 the board of the Company may, pursuant to the authority given by the adoption of this Article, consolidate and sub-divide the share capital available for issue as a consequence of a redemption of Preference Shares pursuant to this Article 2 into ordinary shares or any other class of share into which the authorised share capital of the Company is at

the time divided, each of a like nominal amount as the shares of that class then in issue, or into unclassified shares of the same nominal amount as the Preference Shares;

2.2.13 As regards special directors:

- (i) The Korda Seed Capital Fund Limited Partnership shall, for so long as it remains a shareholder in the Company, have the right, by notice in writing delivered to the registered office of the Company, to appoint a person nominated by it (the "**Korda Director**") as a non-executive Director of the Company and to remove from office any person so appointed and, upon ceasing to hold office for any reason, to appoint another person in his place;
- (ii) 3i Group plc shall, for so long as it remains a shareholder in the Company, have the right, by notice in writing delivered to the registered office of the Company, to appoint a person nominated by it (the "**3i Director**") as a non-executive Director of the Company and to remove from office any person so appointed and, upon ceasing to hold office for any reason, to appoint another person in his place; and
- (iii) PTIL shall, for so long as Prelude Trust plc remains a shareholder in the Company, have the right, by notice in writing delivered to the registered office of the Company, to appoint one person nominated by it ("the **Prelude Director**") as a non-executive Director of the Company and to remove from office any person so appointed and, upon ceasing to hold office for any reason, to appoint another person in his place.

- 2.3 Subject to the Act, and provided it is a private company, the Company shall be authorised to make a payment in respect of the redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

3. ISSUE OF SHARES

- 3.1 For the purposes of Section 80 of the Act, for a period of five years from the date of adoption of these Articles, all unissued shares up to an aggregate nominal amount of £871,965.80 shall be at the disposal of the Directors and the Directors be and are hereby generally authorised to allot, grant rights, options or warrants to subscribe or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 3.2 The pre-emption provisions of section 89(1) of the Act and the provisions of sub-sections (1) to (6) inclusive of section 90 of the Act shall not apply to any allotment of the Company's equity securities (as defined in section 94 of the Act).

- 3.3 Subject to Article 3.5, the Company shall not allot any equity securities unless:-
- 3.3.1 such allotment is of either "C" Ordinary Shares, "A" Ordinary Shares, "B" Ordinary Shares or Ordinary Shares; and
- 3.3.2 such shares are first offered to the holders of the "A" Ordinary Shares, "B" Ordinary Shares, "C" Ordinary Shares and Ordinary Shares in the proportions (as nearly as practicable) in which they held "A" Ordinary Shares or "B" Ordinary Shares or "C" Ordinary Shares or Ordinary Shares, as the case may be, immediately prior to such allotment.
- 3.4 The following provisions apply to any offer made pursuant to Article 3.3.2:-
- 3.4.1 such offer shall be open for a period of 14 days;
- 3.4.2 any holder of "A" Ordinary Shares, "B" Ordinary Shares, "C" Ordinary Shares or Ordinary Shares shall be entitled to elect that any "A" Ordinary Shares, "B" Ordinary Shares, "C" Ordinary Shares or Ordinary Shares as appropriate, which are not accepted by him shall be allotted in such proportion as he may determine to any person or persons to whom he could freely transfer such shares pursuant to Article 4 nominated by such holder (the "**Election**"). Any such shareholder shall notify the Company of his Election within the 14 day offer period;
- 3.4.3 the shareholders who accept the offer made pursuant to Article 3.3.2 shall be entitled to indicate that they would accept shares (and the maximum number that they would accept) that have not been accepted by other shareholders or by any person in whose favour an Election was made ("**Remaining Shares**"). The Remaining Shares shall then be allotted to the shareholders who have indicated that they would accept Remaining Shares in the numbers they have indicated or, if there are insufficient Remaining Shares, as nearly as practicable in the proportion that the number of Remaining Shares each shareholder indicated he would accept, bears to the total number of Remaining Shares; and
- 3.4.4 any shares which are not accepted by an shareholder or by any person in whose favour an Election was made may be allotted to such other person as the Directors determine.
- 3.5 The provisions of Article 3.3 do not apply to:-
- 3.5.1 any issue of shares pursuant to the Subscription Agreement; or
- 3.5.2 the grant of options to employees or directors of the Company whether pursuant to any employee share schemes established by the Company or otherwise or the issue of shares on exercise of such options; or

3.5.3 the issue of "C" Ordinary Shares pursuant to the Loan Stock.

4. PERMITTED TRANSFERS

4.1 Subject to the provisions of Regulation 24 any "A" Ordinary Shares, "B" Ordinary Shares, "C" Ordinary Shares and Ordinary Shares (other than any shares in respect of which the holder shall have been required by the Directors under these Articles (other than Article 9.1 and 9.2.1) to give a Transfer Notice or shall have been deemed to have given a Transfer Notice or shall be required to accept an offer made in accordance with Article 6) may at any time be transferred:

4.1.1 to any person with the prior consent in writing of the Board including each of the Investor Directors; or

4.1.2 by any member being a company to a Member of the same Group as the Transferor Company; or

4.1.3 by any member which is an Investment Fund or by its custodian or nominee:

(i) to any nominee or custodian for such fund and vice versa;

(ii) to any unitholder, shareholder, partner, participant, manager or adviser (or an employee of such manager or adviser) in any such fund;

(iii) to any other Investment Fund managed or advised by the same manager or adviser as to the transferor; or

(iv) to any person, company or fund whose business consists of holding securities for investment purposes; or

4.1.4 to a nominee, custodian or to a Member of the same Group of any of the persons referred to in sub-paragraphs (i), (ii), (iii) or (iv) of Article 4.1.3 above of this Article 4.1; or

4.1.5 by any individual member (not being in relation to the shares concerned a holder thereof as a trustee of any Family Trusts) to trustees to be held upon Family Trust related to such individual member, provided that no individual member shall be entitled to make more than one transfer under this Clause 4.1.5.

4.2 If a Transferee Company ceases to be a Member of the same Group as the Transferor Company from which (whether directly or by a series of transfers under Article 4.1) the Relevant Shares derived, it shall be the duty of the Transferee Company to notify the Directors in writing that such event has occurred and (unless the Relevant Shares are thereupon transferred to the Transferor Company or a Member of the same Group as the Transferor Company, any such transfer being deemed to be authorised under the

foregoing provisions of this Article) the Transferee Company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the Relevant Shares.

- 4.3 Subject to the provisions of Regulation 24 any Preference Shares (other than any shares in respect of which the holder shall have been required by the Directors in accordance with these Articles to give a Transfer Notice or shall have been deemed to have given a Transfer Notice or shall be required to accept an offer made in accordance with Article 6) may at any time be transferred in accordance with Article 4.1.2. or 4.1.3 (subject always to Article 4.2).
- 4.4 Where shares have been transferred under Article 4.1 or under Clause 4.4.1 or 4.4.2 of this Article 4.4 to trustees of Family Trusts, the trustees and their successors in office may (subject to the provisions of Article 4.1) transfer all or any of the Relevant Shares:
- 4.4.1 to the trustee for the time being of the Family Trust concerned on any change of trustee;
- 4.4.2 to the trustees for the time being of any other trusts being Family Trusts in relation to the same individual member or deceased or former member pursuant to the terms of such Family Trusts or to any discretion vested in the trustees thereof or any other person; or
- 4.4.3 to the Relevant Member or former member or any Privileged Relation of the Relevant Member or deceased or former member who has hereby become entitled to the shares proposed to be transferred on the total or partial termination of or pursuant to the terms of the Family Trusts concerned or in consequence of the exercise of any such power or discretion as aforesaid.
- 4.5 If and whenever any of the Relevant Shares come to be held otherwise than upon Family Trusts, except in circumstances where a transfer thereof is authorised pursuant to Article 4.4 to be and is to be made to the person or person entitled thereto, it shall be the duty of the trustees holding such shares to notify the Directors in writing that such event has occurred and the trustees shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of the shares concerned.

5. PRE-EMPTION ON TRANSFER

- 5.1 Except in the case of a Permitted Transfer, the right to transfer shares or any interest in shares in the Company shall be subject to the following restrictions and provisions. References in this Article 5 to "transferring shares" or "Sales Shares" shall include any interest in and grant of contractual rights or options under or in respect of shares.

- 5.2 Any person ("**the Proposing Transfer**") proposing to transfer all or any of the "C" Ordinary Shares all or any of the "B" Ordinary Shares all or any of the "A" Ordinary Shares all or any of the Ordinary Shares or all or any of the Preference Shares ("**the Sale Shares**") shall be required before effecting, or purporting to effect the transfer, to give a notice in writing to the Company that he desires to transfer the Sale Shares and shall state in the Transfer Notice the number and class of shares to be sold and the identity of the person (if known) to whom the Proposing Transferor desires to transfer the beneficial interest in the Sale Shares. The Transfer Notice shall constitute the Company his agent for the sale of the Sale Shares (together with all rights then attached thereto) at the Prescribed Price (as determined in accordance with Article 5.3 or 5.4) during the Prescribed Period (as defined in Article 5.5) to any member or to any other person selected or approved by the Directors on the basis set out in the following provisions of these Articles and (other than a Transfer Notice served or deemed to be served pursuant to Articles 9.1 and 9.2) shall not be revocable except with the consent of the Directors.
- 5.3 The Prescribed Price (subject to the deduction therefrom, where the Prescribed Price has been agreed with the Directors, of any dividend or other distribution declared or made after such agreement and prior to the date on which the Transfer Notice was given ("**the Notice Date**")) shall be the higher of:-
- 5.3.1 the price per Sale Share agreed not more than one month before the Notice Date between the Proposing Transferor and the Directors as representing the fair value thereof; and
- 5.3.2 the price contained in an arm's length, bona fide offer received from a third party by the Proposing Transferor not more than one month before the Notice Date and which remains open for acceptance in respect of the Sale Shares until at least seven days after the last date for compliance with the pre-emption provisions contained in this Article 5 (but subject to the right of the Directors to satisfy themselves that such offer is bona fide, for the consideration stated in the offer without any deduction, rebate or allowance whatsoever to the purchaser and so open for acceptance).
- 5.4 If, prior to the giving of the Transfer Notice, the Prescribed Price shall not have been agreed or determined in accordance with Article 5.3, upon the giving of the Transfer Notice the Directors shall refer the matter to the Auditors and the Auditors shall determine and certify the sum per share considered by them to be the fair value thereof as at the Notice Date and the sum per share so determined and certified shall be the Prescribed Price. In so determining and certifying the Auditors shall take into account the proportion of the relevant class of shares which the Sale Shares represent. The Auditors shall act hereunder at the cost and expense of the Company as experts and not as arbitrators and their determination shall, in the absence of manifest error, be final and binding on all persons concerned and, in the absence of fraud, they shall be under no liability to any such person by reason of their determination

or certificate or by anything done or omitted to be done by them for the purpose thereof or in connection therewith.

- 5.5 If the Prescribed Price was agreed or determined as provided in Article 5.3, the Prescribed Period shall commence on the Notice Date and expire 12 weeks thereafter. If the Prescribed Price is to be determined in accordance with Article 5.4, the Prescribed Period shall commence on the Notice Date and shall expire two months after the date on which the Auditors shall have notified the Directors of their determination of the Prescribed Price. Pending such determination the Directors shall defer the making of the offer mentioned in Article 5.6.
- 5.6 All shares included in any Transfer Notice shall by notice in writing be offered by the Company forthwith on receipt (subject to Article 5.5) of the relative Transfer Notice to the holders of "C" Ordinary Shares, the holders of "B" Ordinary Shares, the holders of "A" Ordinary Shares, and the holders of Ordinary Shares (other than the holder of the Sale Shares) for purchase at the Prescribed Price in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holdings (other than of Preference Shares) of shares irrespective of class. Such offer:
- 5.6.1 shall stipulate a time not exceeding 28 days within which it must be accepted or in default will lapse; and
- 5.6.2 may stipulate that any members who desire to purchase a number of Sale Shares in excess of the proportion to which each is entitled shall in their acceptance state how many excess Sale Shares they wish to purchase and any shares not accepted by other members shall be used for satisfying the requests for excess Sale Shares pro rata to the existing shares held by such members making such request.
- 5.7 Any shares not accepted by any of the members pursuant to the foregoing provisions of these Articles by the end of the Prescribed Period may be offered by the Directors to such persons as they may think fit for purchase at the Prescribed Price, provided that no shares in the Company may be sold to a person who is not then already a member, in the circumstances described in Article 6, except in accordance with the provisions of those Articles (as appropriate).
- 5.8 If the Company shall within the Prescribed Period find members or such other persons as aforesaid (each such person being hereinafter called "**a Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment to him of the Prescribed Price, to transfer such shares to the respective Purchaser(s), provided that, if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer some only of the Sale Shares (which he shall not be entitled to do if he is required by virtue of any provision of these Articles other than this Article 5 to give a Transfer Notice), this

provision shall not apply unless the Company shall have found Purchasers for all the Sale Shares. Every notice given by the Company under this Article 5.8 shall state the name and address of each Purchaser and the number of Sale Shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Directors not being less than three days nor more than ten days after the date of the notice.

5.9 If a Proposing Transferor shall fail or refuse to transfer any Sales Shares to a Purchaser(s) hereunder the Directors may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser(s) to be registered as the holder of such shares. The receipt of the Company for the purchase money shall constitute a good discharge to the Purchaser(s) (who shall not be bound to see the application thereof) and after the Purchaser(s) has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money to the Proposing Transferor until he shall have delivered his share certificate(s) or a suitable indemnity and the necessary transfers to the Company.

5.10 If the Company shall not within the Prescribed Period find Purchasers willing to purchase any or all of the Sale Shares and gives notice in writing thereof to the Proposing Transferor, or if the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Company has no prospect of finding Purchasers, the Proposing Transferor at any time during a period of 45 days after the end of the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24) to transfer those Sale Shares for which the Company has not within the Prescribed Period given notice that it is has found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made after the date of the Transfer Notice and to be retained by the Proposing Transferor) provided that:-

5.10.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares he shall only be entitled to transfer all the unsold Sale Shares under this Article; and

5.10.2 the Directors may require to be satisfied that the Sale Shares are being transferred under this Article pursuant to a bona fide sale for the consideration stated in the Transfer Notice without any deduction, rebate or allowance whatsoever to the Purchaser and if not so satisfied may refuse to register the instrument of transfer.

6. FOUNDERS' RIGHT OF FIRST REFUSAL IN THE EVENT OF SALE

6.1 In the event that any shareholder (who for these purposes must include Prelude, for so long as it is a shareholder in the Company) receives an offer from a person to buy all or some of its shares which would result in a Sale then

the proposed transferee shall make an offer ("**Offer**") in writing which is stated to be open for acceptance for at least 21 days (the "**Offer Period**") to acquire at the Specified Price (as defined below) all the shares in the capital of the Company including for the avoidance of doubt, but without limitation, all the Preference Shares in issue and any shares arising from the exercise of any options in existence including those granted under any option contract to any employee or under the Zylepsis Limited 1996 Executive Share Option Scheme as a result of the Sale. Acceptance of the Offer shall be notified to the Directors at the registered office of the Company and such acceptances, which the Directors shall forthwith notify to all shareholders, shall not be notified to the transferee until the day prior to the expiry of the Offer Period (the "**Acceptance Date**") and shall be deemed to be conditional upon and subject to the provisions of Article 6.2.

- 6.2 At any time prior to the Acceptance Date, any of the Founders shall be entitled to purchase all (but not some only) of the shares being all the shares in the capital of the Company in issue including, for the avoidance of doubt without limitation, all the Preference Shares in issue and any shares arising from the exercise of any options in existence including those granted under any option contract to an employee or under the Zylepsis Limited 1996 Executive Share Option Scheme) of the members the subject of the Offer ("**Target Members**") at the Specified Price and otherwise on terms no less favourable than the terms contained in the Offer. If more than one founder wishes to purchase the shares of the Target Members, each such Founder shall be entitled and obliged to purchase that proportion of shares of each Target Member as is equal to the proportion which that Founder's holding of shares (irrespective of class) represents of all the shares (irrespective of class) held by all Founders who wish to purchase shares of the Target Members.
- 6.3 The option to purchase shall be exercised by the service of notice in writing to the Directors at the Company's registered office (an "**Option Notice**") signed by the Founder who wishes to exercise the option and served at any time prior to the Acceptance Date. An Option Notice served shall not be revocable and shall state the price at which the signatory is prepared to purchase Target Members' shares.
- 6.4 Upon the Acceptance Date, if no Option Notice has been served by any Founder then the provisions of Article 6.6 shall apply and the Founders together with all other shareholders of the Company shall be bound to accept the Offer and the Company shall forthwith procure the execution and delivery to the transferee of all documents necessary to accept the Offer on behalf of all members in accordance with Articles 6.1 and 6.6.
- 6.5 If prior to the Acceptance Date one or more Option Notices have been served at the registered office of the Company, then the person or person who are parties to all such Option Notices shall between them be bound to purchase in the relevant proportions, and the Target Members shall between them be bound to sell, all the Target Members' shares. The transfer of the shares ("**Option Notice Transfers**") and payment of the price shall take place at the

place and time (not less than 30 nor more than 45 days after the expiry of the Offer Period) specified by the Company.

- 6.6 If an Offer has been made pursuant to Article 6.1 and no Option Notice has been served by any Founder prior to the Acceptance Date pursuant to Article 6.2 then provided that the acceptances notified to the Directors pursuant to Article 6.1 would result in a Sale each shareholder in the Company (including the Founders):-

6.6.1 shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the transferee in accordance with the terms of the Offer; and

6.6.2 with the exception of 3i Group plc, hereby appoints the Company as its attorney in its name and on its behalf to accept the Offer and execute all such documents and do all such other acts or things which the Company as its attorney deems necessary to transfer the share to the transferee in accordance with the terms of the Offer against receipt of the purchase price by the Company in trust for the member.

- 6.7 For the purpose of Article 6.1, the "**Specified Price**" shall be a price per share equal to that at which the transferee is proposing to acquire the relevant shares plus the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the seller of the relevant shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as forming part of the consideration for the relevant shares. In circumstances where part of the consideration offered by the transferee comprises shares the value of such shares shall be value agreed by the Directors. In the event of any failure to agree, the matter shall be referred to an independent chartered accountant appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales. In making such determination such independent chartered accountant shall act as an expert and his decision shall be final and binding on the parties. The cost of the accountant shall be borne by the Company.

- 6.8 In the event that any shareholder receives an offer to buy (a) all or some of its shares that would amount to a sale of 10% or more of the Equity Share Capital (but is not a Sale) (a 'Minority Sale') or (b) such number of shares which when aggregated with other sales by such shareholder in the immediately preceding 12 months would constitute a Minority Sale then, before any such offer is accepted, the proposed transferee shall make an offer in writing which is stated to remain open for a period of 21 days to the holders of the 'C' Ordinary Shares to purchase at the Offer Price (as defined below) the same proportion of 'C' Ordinary Shares as the proportion of the 'A' Ordinary, 'B' Ordinary and Ordinary Shares in issue for which the Minority Sale offer has

been made(and where applicable, the number of shares sold which have been aggregated to amount to a Minority Sale). For the purposes of this Article the Offer Price in respect of each proposed sale shall have the same meaning as that attributed to Specified Price in Article 6.7 and, where an aggregate number of sales constitute a Minority Sale, the Offer Price in relation to the percentages of shares sold in prior sales shall be calculated as if each prior sale constituted a Minority Sale.

- 6.9 The holders of the 'C' Ordinary Shares shall be entitled to accept the offer made pursuant to Article 6.8 in such proportions as they may agree (or, failing agreement, in proportion to their respective holdings of 'C' Ordinary Shares). If the offer is not accepted in its entirety (or the Board consent referred to below is not granted) the proposed transferor will issue a Transfer Notice in accordance with Article 5 and, if it is accepted in its entirety, all transfers pursuant to the offers referred to in Articles 6.8 and 6.9 shall be approved, subject to Board consent in accordance with Article 4.1.1, and subject to such consent shall be Permitted Transfers.

7. BARE NOMINEES

For the avoidance of doubt and without limitation, no share (other than any share so held on the date of adoption of these Articles) shall be held by any member as a bare nominee for and no interest in any share shall be sold to any person unless a transfer of such share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.

8. **COMPULSORY TRANSFERS - GENERAL**

- 8.1 A person entitled to a share in consequence of the bankruptcy of a member shall be bound at any time, if and when required in writing by the Directors so to do, to give a Transfer Notice in respect of such share.
- 8.2 If a share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either to effect a transfer of such shares (including for such purpose an election to be the registered holder thereof) being a Permitted Transfer which will be effected up to or promptly upon the completion of the administration of the estate of the deceased member, or (failing compliance with either of the foregoing within one month or such longer period as Directors may allow for the purpose) to give a Transfer Notice in respect of such share.
- 8.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall forthwith at the request of the Directors be required to give a Transfer Notice in respect of all of the shares held by such member and/or such Permitted Transferee.

9. **COMPULSORY TRANSFERS - MANAGEMENT SHAREHOLDER**

- 9.1 Whenever the holder of any Ordinary Shares in the Company who holds office or is employed by the Company, the Company's holding company or any subsidiary of either the Company to its holding company ("**a Group Company**") in any capacity (whether or not he is also a Director) ceases to hold office or be employed by a Group Company (without remaining or thereupon becoming a director or an employee of a Group Company) the Directors shall at any time not later than two weeks after his ceasing to hold office or be so employed determine in good faith and in writing in their absolute discretion (having regard to all the surrounding circumstances of such cessation and after having made all such enquiries as they consider appropriate) whether or not such person may properly be considered a good leaver or a bad leaver. The Directors determination shall be final and binding.
- 9.2 In the case of a holder determined by the Directors in accordance with Article 9.1 to be a good leaver, the Director's may at any time after such determination require such shareholder by notice in writing together with any other member in which he is interested or who has acquired shares from him (whether directly or indirectly) pursuant to a transfer (or transfers) made pursuant to Article 4 to give a Transfer Notice in respect of all the Ordinary Shares then held by him or such other member in which event such shares shall be transferred at a price determined in good faith by the Directors in their absolute discretion as being their fair value, such determination being final and binding. Save as to the determination as to value, such transfer shall otherwise be made in accordance with the provisions of Article 5. In the event such a

Transfer Notice is not served within a period of 10 days from such written request, such a holder or such other member will be deemed to have served a Transfer Notice and the provisions of Article 11.2 shall apply.

9.3 In the case of a holder determined by the Directors to be a bad leaver, such person together with any other member in which he is interested or who has acquired shares from him (whether directly or indirectly) pursuant to a transfer (or transfers) made pursuant to Article 4 shall be deemed to have served a Transfer Notice in respect of all the Ordinary Shares then held by him or such other member in which event such shares shall be transferred at the lower of their Subscription Price and their fair value as determined in good faith by the Directors in their absolute discretion, such determination being final and binding. Save as to the determination as to value, such transfer shall otherwise be in accordance with the provisions of Article 5. Any costs incurred by the Company in respect of the implementation or enforcement of this Article 9.3 in respect of any holder who is a bad leaver shall be borne by such holder.

9.4 The provisions of Articles 9.1, 9.2 and 9.3 shall not apply to:-

9.4.1 Dr Cheetham in respect of one half of any holding of Ordinary Shares held by him at the date he ceases to hold office or ceases to be employed by any Group Company;

9.4.2 Mr John Sime, in respect of one half of any holding of Ordinary Shares held by him at the date he ceases to hold office or cease to be employed by any Group Company;

9.4.3 Mr A. Winter in respect of any shares in the Company held by him at the date he ceases to hold office or ceases to be employed by any Group Company); and

9.4.4 Professor Knowles in respect of any shares in the Company held by him at the date he ceases to hold office or ceases to be employed by any Group Company.

10. SALE PREFERENCE

In the event of a Sale at an aggregate which would result in the holders of any of the "C" Ordinary Shares, "B" Ordinary Shares, "A" Ordinary Shares or Ordinary Shares receiving less than the Subscription Price on such shares by way of a sale and/or redemption and the amount of all and any Arrears and other amounts due to owing thereon, the total of any cash received in respect of the shares that are the subject of the Sale shall be re-allocated between the holders of such shares as to ensure the following order of application of the aggregate sale proceeds as follows:-

10.1 first in paying to each holder of "C" Ordinary Shares or "B" Ordinary Shares the Subscription Price on all such shares held together with a sum equal to any Arrears and other amounts due or owing thereon; and

- 10.2 secondly, in paying to the holder of the Preference Shares the Subscription Price on all such shares;
- 10.3 thirdly, in paying to the holders of the "A" Ordinary Shares the Subscription Price per share together with a sum equal to any Arrears and other amounts due or owing thereon; and
- 10.4 fourthly, in paying any balance amongst the holders of the "C" Ordinary Shares, the "B" Ordinary Shares, the "A" Ordinary Shares and the Ordinary Shares *pari passu* (as if the same constituted one class of share) in proportion to the amounts paid up on such shares.

11. INFORMATION CONCERNING SHAREHOLDING AND TRANSFERS

- 11.1 For the purpose of ensuring that a transfer of shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder or to be satisfied that any proposed sale is bona fide and on the terms stated in the Transfer Notice with no rebate or allowance, the Directors may from time to time require any member of the legal personal representatives or any deceased member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such requirement being made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that a Transfer Notice be given in accordance with Article 5 in respect of the shares concerned.
- 11.2 In a case where the Directors have duly required a Transfer Notice to be given in respect of any shares or where a Transfer Notice is deemed to be given in accordance with these Articles and such Transfer Notice is not duly given within a period of one month, or such longer period as the Directors may allow for the purpose, such Transfer Notice shall (except and to the extent that a Permitted Transfer of any such shares shall have been made) be deemed to have been given on such date after the expiration of the said period as the Directors may by resolution determine and the foregoing provisions of these Articles shall take effect accordingly.
- 11.3 From (and including) the date on which the Directors have duly required a Transfer Notice(s), all holders of shares the subject of such Transfer Notice(s) shall not transfer or encumber any of the shares or any interest in their shares (other than pursuant to such Transfer Notice(s)) until all proceedings pursuant to such Transfer Notice(s) have been finalised in accordance with these Articles.

12. PROCEEDINGS AT GENERAL MEETINGS

- 12.1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 12.2 A resolution in writing executed or approved by telegram, telefax or telex by or on behalf of the holders of all the issued "C" Ordinary Shares, "B" Ordinary Shares, "A" Ordinary Shares and Ordinary Shares shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.

13. ALTERNATE DIRECTORS

- 13.1 Any Director (other than an alternate Director) may at any time by writing under his hand and serve on the Company at its registered office, or delivered at a meeting of the Directors, appoint any other Director, or any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. The same person may be appointed as the alternate Director of more than one Director.
- 13.2 An alternate Director shall be entitled:-
- 13.2.1 to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, save that it shall not be necessary to give notice of such meeting to an alternate Director who is absent from the United Kingdom;
- 13.2.2 to attend, be counted in the quorum for and vote at any such meeting at which the Director appointed him not personally present; and
- 13.2.3 generally at such meeting to perform all the functions of his appointor as a Director in his absence.

If an alternate Director is himself a Director or attends any such meeting as an alternate Director for more than one Director, then his voting rights shall be cumulative.

- 13.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but, if a Director retires but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.

- 13.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
- 13.5 An alternate Director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him, except in relation to matters in which he acted (or failed to act) on the direction or at the request of his appointor.
- 13.6 Save as otherwise provided in these Articles, an alternate Director shall not have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles. However, such an alternate Director shall owe the Company the same fiduciary duties and duty of care and skill in the performance of his office as are owed by a Director.
- 13.7 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 13.8 Regulations 65 and 69 shall not apply.

14. DIRECTORS

- 14.1 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77, 78 and 80 shall be modified accordingly.
- 14.2 The quorum for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any higher number shall be three, but in any case no meeting of the board of Directors or of a committee of the Directors shall be quorate unless attended by the Prelude Director, the Korda Director and the 3i Director. The first sentence of Regulation 89 shall not apply. A meeting of the Directors or of a committee of the Directors may consist of a conference between directors who are not all in one place, but of whom each is able (directly or by telephone communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word "meeting" in these Articles shall be construed accordingly.
- 14.3 A resolution in writing signed or approved by telegram telefax or telex by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate

Director, it need not be signed by the alternate Director in that capacity. Regulation 93 shall not apply.

14.4 A Director may vote at a meeting Directors or of a committee of Directors on any resolution concerning a matter on which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Regulation 94 shall be modified accordingly, provided that he has disclosed to the Directors the nature and extent of any material interest or duty.

14.5 The office of a Director (other than an Investor Director) shall be vacated if he shall be removed from office by notice in writing served upon him signed by a majority of his co-Directors but so that if he holds an appointment to an executive office which thereby automatically determines, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company.

15. NOTICES

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

16. INDEMNITY

16.1 Without prejudice to any indemnity to which such officer may otherwise be entitled, every Director, Auditor, Secretary or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses, and liabilities incurred by him in the execution and discharge of his duties or in relating thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Regulation 118 shall not apply.

16.2 The Company may purchase and maintain for any Director, Secretary or other officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company.