

Company number 4585850

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THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

OF

FEMEDA LIMITED

WE CERTIFY THIS TO BE A
TRUE COPY OF THE ORIGINAL

Signed.....

Date..... 1.05.2007

We, the undersigned, being all the Members for the time being of the Company, entitled to receive notice of and to attend and vote at General Meetings of the Company HEREBY pass the following written resolutions and agree that the subjoined resolutions shall, pursuant to section 381A of the Companies Act 1985 (as amended), for all purposes be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held

Directors' authority to allot shares

- 1 **THAT** the directors of the Company be and they are hereby unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 (the "**Act**") to allot any unissued shares in the Company to such persons (whether existing members or not) at such times and on such terms and conditions as they think proper, provided that
 - 1 1 the authority hereby granted to the directors of the Company shall expire 5 years from the date of this resolution or (if this authority is renewed or varied by the Company in general meeting) on the date specified in the resolution on which the renewed or varied authority shall expire,
 - 1 2 the Company may, before the expiry of such period referred to in subparagraph 1 1 above, make an offer, agreement or arrangement which would or might require relevant securities to be allotted pursuant to such offer, agreement or arrangement after such expiry and the directors may allot relevant securities pursuant to such offer, agreement or other arrangements, as if the authority hereby conferred had not expired,
 - 1 3 all previous authorisations under section 80 of the Act shall hereby be revoked but without retrospective effect

Redesignation and subdivision of preference shares

- 2 **THAT** of the authorised 5,000 preference shares of £1 00 each in the capital of the Company ("**Preference Shares**") which have not been taken or agreed to be taken by any person, 2,500 Preference Shares be and they are hereby redesignated and subdivided into 250,000 ordinary shares of £0 01 each in the capital of the Company ("**Ordinary Shares**") and the remaining 2,500 Preference Shares be and they are hereby redesignated and subdivided into 250,000 A ordinary shares of £0 01 each in the capital of the Company ("**A Ordinary Shares**"), such Ordinary Shares and A Ordinary Shares having the rights and being

subject to the restrictions set out in new articles of association of the Company (the "**New Articles**") to be adopted by the passing of resolution 8

3 1 **THAT:**

3 1 1 each of the 19,049 authorised and issued Preference Shares held by James Bradley be and they are hereby consolidated into 1,905 consolidated preference shares of £10.00 each ("**Consolidated Preference Shares**") and that each of such 1,905 Consolidated Preference Shares be and they are hereby redesignated and subdivided into 2,109 Ordinary Shares and 1,902,791 deferred shares of 1 pence each in the capital of the Company ("**Deferred Shares**"), such Deferred Shares having the rights and being subject to the restrictions set out in the New Articles

3 1 2 each of the 86,000 Preference Shares held by RisingStars Growth Fund be and they are hereby consolidated into 8,600 Consolidated Preference Shares and that each of such 8,600 Consolidated Preference Shares be and they are hereby redesignated and subdivided into 9,524 A ordinary shares of 1 pence each in the capital of the Company ("**A Ordinary Shares**") and 8,590,476 Deferred Shares

on the basis of an exchange rate of approximately

(a) 1 107668 Ordinary Shares or A Ordinary Shares (as the case may be), and

(b) 99 889 2332 Deferred Shares

for each Consolidated Preference Share

Redesignation of A ordinary shares

4 **THAT** all of the 60,400 existing A ordinary shares of £0.01 each in the capital of the Company that are held by RisingStars Growth Fund be and they are hereby redesignated into Ordinary Shares

Capitalisation of accrued but unpaid preference share dividends

5 **THAT** the sum of £18,861, being the amount of accrued but unpaid dividends owing to RisingStars Growth Fund in respect of the Preference Shares held by it, be and it is hereby capitalised by the allotment and issue of 2,088 A Ordinary Shares to RisingStars Growth Fund

6 **THAT** the sum of £4,179, being the amount of accrued but unpaid dividends owing to James Bradley in respect of the Preference Shares held by him, be and it is hereby capitalised by the allotment and issue of 463 Ordinary Shares to James Bradley

Conversion of loan into A ordinary shares

- 7 **THAT** all sums outstanding under the terms of a convertible loan agreement entered into between the Company (1) and RisingStars Growth Fund (2) on 13 March 2006, both principal and accrued interest thereon, be and they are hereby discharged by the allotment and issue to RisingStars Growth Fund of 42,953 A Ordinary Shares

Disapplication of pre-emption rights

- 8 **THAT** all pre-emption rights whether arising under the Act, under the articles of association of the Company or otherwise, be and they are hereby disapplied for all purposes in respect of the allotment and issue of
- 8 1 the Ordinary Shares and A Ordinary Shares to be allotted and issued pursuant to the passing of resolutions 5,6 and 7 above,
- 8 2 33,223 further Ordinary Shares and 77,519 further A Ordinary Shares, such allotment and issue to take place on or around the date of the passing of these resolutions, and
- 8 3 otherwise in respect of a further 50,000 Ordinary Shares representing £500 00 nominal in the capital of the Company

Adoption of new articles of association of the Company

- 9 **THAT** the New Articles in the form annexed to these resolutions be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of all the existing articles of association of the Company

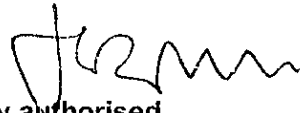
Dated

2007

James Bradley

Alison Kibble

Julia Herbert

 X
**Duly authorised
for and on behalf of
RisingStars Growth Fund**

**Duly authorised
for and on behalf of
Nuromed Limited**

Adrian Wight

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Dated 29 March 2007

A. C. Kibble
James Bradley
(ALISON KIBBLE) ACTING
BY HIS ATTORNEY

A C Kibble
Alison Kibble

A. C. Kibble
Julia Herbert
(ALISON KIBBLE) ACTING
BY HER ATTORNEY

Duly authorised
for and on behalf of
RisingStars Growth Fund

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Dated 29 March 2007

James Bradley

Alison Kibble

Julia Herbert

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for and on behalf of
RisingStars Growth Fund**

**Duly authorised
for and on behalf of
Nuromed Limited**

Adrian Wight



**THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES**

**NEW
ARTICLES OF ASSOCIATION
of
FEMEDA LIMITED
(Company Number: 4585850)**

(Adopted by Special Resolution passed on March 2007)

1 Table A

1 1 The regulations in Table A shall apply to the Company unless they are excluded or varied by, or are inconsistent with these Articles. Subject to that, those regulations and these Articles are together the regulations of the Company.

1 2 Regulations 54, 64, 73-80 (inclusive), 85, 86, 89, 94-98 (inclusive) and 118 of Table A shall not apply to the Company

2 Share Capital

The authorised share capital of the Company is £111,968.36 divided into 396,109 Ordinary Shares and 307,460 A Ordinary Shares and 10,493,267 Deferred Shares

3 Issues of Shares

3 1 If the Company wishes to allot Equity Shares (the "Offer Shares") it must first invite all holders of Equity Shares by notice in writing to subscribe for the Offer Shares. An invitation under this Article 3 1 shall be open for acceptance for at least 21 days but not more than 35 days after notice of it is given to the members. The Company does not have to make an offer under this Article 3 1 if -

3 1 1 the consent of a Special Majority is given, or

3 1 2 the proposed issue is on the exercise of options granted under a Share Option Scheme provided that the total number of Ordinary Shares issued pursuant to options granted under a Share Option Scheme shall not exceed 28,800 Ordinary Shares

3 2. Basis of allocation to members

3 2 1 The Offer Shares shall be allocated by the directors in satisfaction of the applications received from members, in accordance with the procedures set out in this Article 3 2

3 2 2 If the total number of Offer Shares applied for by the members is equal to or less than the number of Offer Shares available, the Offer Shares shall be allocated in satisfaction of the applications received

3 2 3 If the total number of Offer Shares applied for is more than the number of Offer Shares available, the directors shall allocate Offer Shares in satisfaction of each member's application for Offer Shares in accordance with the following formula (rounded down to the nearest whole number of Shares) This formula shall be applied repeatedly until there are no Offer Shares left to be allocated Each application of the formula is an 'iteration'

$$A = \frac{B}{C} \times D$$

A is the number of Offer Shares to be allocated to the relevant member in the iteration

B is the number of Shares (excluding any Deferred Shares) held by the member

C is the number of Shares (excluding any Deferred Shares) held by all members

D is the number of Offer Shares or, after the first iteration, the number of Offer Shares remaining unallocated by previous iterations

If, in any iteration, a member would be allocated more than all of the Offer Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member That member will cease to take part in any further iterations and the excess Offer Shares will be available for allocation in the next iteration

3 2 4 The Company shall notify each member who applied for Offer Shares of the number of Offer Shares that have been allocated to him and the other persons to whom the Offer Shares have been allocated and upon receipt from such person of the appropriate subscription price for such Offer Shares, that person will be allotted the Offer Shares allocated to him, provided that on allotment of the Offer Shares to a member, they shall automatically convert into the class of Equity Shares held by that member at the time of the allotment (but if a member holds more than one class of Share, such number of the Offer Shares to be allotted to him shall be converted into A Ordinary Shares or Ordinary

Shares (as appropriate) so as to ensure that the proportion of each class of Equity Share held by that member is the same before and after such allotment of Offer Shares)

3 3 Any Equity Shares which are not allocated to members pursuant to Article 3 2 shall be at the disposal of the directors who may (within the period of 3 months from the expiry of the invitation made under Article 3 1) allot, grant options over or otherwise dispose of those Equity Shares to any person and on any terms (but they must be the same class of Equity Share as offered to members pursuant to Article 3 1), but the price per Equity Share and other terms offered to such a person cannot be more favourable than the price and terms offered to the members

3 4 Article 3 1 will also apply (with the necessary changes) to the grant of any right to subscribe for Equity Shares of any class, other than a grant of options under a Share Option Scheme

3 5 Section 89(1) of the Act is excluded, and accordingly shall not apply to the allotment of equity securities (as defined in section 94 of the Act) by the Company

3 6 No Deferred Shares shall be available for allotment after the date of adoption of these Articles

4 **Dividends**

Any profits that the Company may decide to distribute shall only be distributed if an Investor Majority consent in writing to such distribution and such profits shall be distributed amongst the holders of the Equity Shares in proportion to the number of Equity Shares held by them respectively

5 **Liquidation and Sale Preferences**

5 1 On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority:-

5 1 1 first, in paying to each A Ordinary Shareholder and to each Ordinary Shareholder an amount equal to the amount subscribed by each such Shareholder for all the Shares held by that Shareholder (excluding any Deferred Shares), together with a sum equal to any arrears or accruals of the dividend on the A Ordinary Shares and the Ordinary Shares calculated down to the date of the return of capital and if there is a shortfall, the proceeds shall be distributed to the A Ordinary Shareholders and Ordinary Shareholders pro rata according to the amount subscribed by them for the Shares (excluding any Deferred Shares) held by them;

- 5 1 2 secondly, in paying to the A Ordinary Shareholders £1 81 per A Ordinary Share and if there is a shortfall, the proceeds shall be distributed to the A Ordinary Shareholders pro rata according to the number of A Ordinary Shares held by them;
 - 5 1 3 thirdly, in paying the balance of the surplus assets up to the amount of £10 million per Equity Share to all the A Ordinary Shareholders and Ordinary Shareholders in proportion to the number of Equity Shares held by each of them as if they together constituted one class, and
 - 5 1 4 fourthly, in paying to the Deferred Shareholders the sum of 1 pence for each Deferred Share held at such time (and in the event that there is insufficient surplus assets to pay the 1 pence per Deferred Share for all Deferred Shares held, the assets shall be paid to the Deferred Shareholders without priority among the Deferred Shares pro rata to the number of Deferred Shares held)
- 5 2 Upon a Sale, and notwithstanding anything to the contrary in the terms and conditions governing the Sale, the Shareholders who sell Shares in such Sale (the "Selling Shareholders") shall each procure that the consideration (whenever received) shall be paid into a designated trustee account and shall be distributed amongst the Selling Shareholders who will be entitled to share in the proceeds thereof in the following order of priority:-
- 5 2 1 first, in paying to each Selling Shareholder an amount equal to the amount subscribed by each such Shareholder for all the Shares held by that Shareholder (excluding any Deferred Shares) and sold in such Sale, together with a sum equal to any arrears or accruals of the dividends on such Shares calculated down to the date of the Sale and if there is a shortfall, the proceeds shall be distributed to the Selling Shareholders pro rata according to the amount subscribed by them for the Shares (excluding any Deferred Shares) sold by them in such Sale,
 - 5 2 2 secondly, in paying to the A Ordinary Shareholders £1 81 per A Ordinary Share sold by them in such Sale and if there is a shortfall, the proceeds shall be distributed to the A Ordinary Shareholders pro rata according to the number of A Ordinary Shares sold by them in such Sale,
 - 5 2 3 thirdly, in paying the balance of the surplus assets up to the amount of £10 million per Equity Share to all the A Ordinary Shareholders and Ordinary Shareholders in proportion to the number of Equity Shares held by each of them as if they together constituted one class, and

- 5 2.4. fourthly, in paying to the Deferred Shareholders the sum of 1 pence for each Deferred Share held at such time (and in the event that there is insufficient surplus assets to pay the 1 pence per Deferred Share for all Deferred Shares held, the assets shall be paid to the Deferred Shareholders without priority among the Deferred Shares pro rata to the number of Deferred Shares held)

5 3 Immediately prior to and conditional upon a Listing

- 5 3 1 the Company shall allot to each Shareholder by way of capitalisation of amounts standing to the credit of the share premium account (or such other reserves as are determined by the Directors), such number of new Ordinary Shares as shall be calculated in accordance with the following formula.-

$$N = O/P$$

where

"N" is the number of new Ordinary Shares to be issued to a Shareholder by the Company pursuant to this Article 5 3 1,

"O" is the aggregate amount subscribed by such Shareholder on all of the Shares (excluding any Deferred Shares) held by such Shareholder, and

"P" is the Realisation Value divided by the number of Listing Shares, and

- 5 3 2 the Company shall allot to each A Ordinary Shareholder by way of capitalisation of amounts standing to the credit of the share premium account (or such other reserves as are determined by the Directors), such number of new Ordinary Shares as shall be calculated in accordance with the following formula

$$N = O/P$$

where

"N" is the number of new Ordinary Shares to be issued to a Shareholder by the Company pursuant to this Article 5 3 2,

"O" is 20% of the aggregate amount subscribed by such Shareholders on all the A Ordinary Shares held by such Shareholder, and

"P" is the Realisation Value divided by the number of Listing Shares,

provided always that in both cases in calculating "N", it shall be assumed (even if not actually the case) that each Shareholder is selling all of his Shares (excluding any Deferred Shares) in the Listing. In the event of any change in the denomination of the Shares (excluding any Deferred Shares), "N" shall be adjusted equitably

- 5 4 If the Company is prohibited by law from capitalising its reserves as contemplated by Article 5 3, each Shareholder shall be entitled to subscribe at par for the Shares (other than Deferred Shares) that such Shareholder would otherwise have been entitled to receive pursuant to Article 5 3, save that the amount paid on subscription for such new Shares (other than Deferred Shares) shall be taken into account in calculating "O"
- 5 5 Except as provided above, the Deferred Shares shall carry no right to participate in the profits or assets of the Company and, other than in accordance with Article 6 3, the Deferred Shares shall be non-redeemable at all times in the future

6 Partly Paid Shares and Purchase of Deferred Shares

- 6 1 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words 'and all expenses that may have been incurred by the Company because of the non-payment'
- 6.2 If the subscription price of any Share (including any premium) is partly paid, the rights to dividend and on a return of capital of that Share shall be abated in the same proportion as the unpaid amount bears to the total subscription price
- 6 3 The Company may purchase, in accordance with the Act, or may allow or procure the purchase by a third party entity approved by the Directors all of the Deferred Shares in issue at any time at an aggregate price of £1 out of the profits of the Company which would otherwise be available for distribution or out of the proceeds of a fresh issue of Shares. Pending such purchase, each Deferred Shareholder will be deemed to have irrevocably authorised the Company, at any time
 - 6 3.1 to appoint any person to execute (on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for no consideration to the Company or to such an entity as may be approved by the Directors, and
 - 6 3 2 pending such transfer, to retain the certificates for the Deferred Shares

7 Voting

- 7 1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles, each Share (other than each Deferred Shares) shall carry one vote per Share
- 7 2 Votes on Ordinary Shares and A Ordinary Shares may be exercised
- 7 2.1 on a show of hands by every member who (being an individual) is present in person or (being a corporation) is present by a representative, not being himself a member, (in which case each member holding Shares with votes shall have one vote), and
- 7 2 2 on a poll by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each member holding Shares with votes shall have the votes attaching to the Shares held by him, as set out in this Article 7)
- 7 3 The Deferred Shareholders shall not be given notice of, nor shall they be entitled to attend and vote at any general meeting of the Company

8 Class Rights

- 8 1 Whenever the capital of the Company is divided into different classes of Shares the special rights attached to the A Ordinary Shares may be varied or abrogated (except where the variation is connected with the matters referred to in sub-section 125(3)(c) of the Act) either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of COIF and Rising Stars
- 8 2 The special rights attached to the Ordinary Shares may be varied or abrogated (except where the variation is connected with the matters referred to in sub-section 125(3)(c) of the Act), either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of the holders of Ordinary Shares holding not less than 50% of the issued Ordinary Shares, which must include Stargate
- 8 3 Without prejudice to the generality of this Article, the special rights attached to the A Ordinary Shares and the Ordinary Shares shall be deemed to be varied -
- 8 3 1 by the Company -
- 8 3 1 1 altering its memorandum or articles of association;
or

- 8 3 1 2 varying in any way (whether directly or indirectly) the rights attached to any of the Shares for the time being in the capital of the Company (other than as specifically provided for in these Articles), or
- 8 3 1 3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company (other than as specifically provided for in these Articles), or
- 8 3 1 4 entering into a contract to purchase any of its shares, or
- 8 3 1 5 redeeming any of its shares, or
- 8 3 1 6 passing a resolution that it be wound up, or
- 8 3 2 by the Company or any of its subsidiaries -
 - 8 3 2 1 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital (other than as set out in Article 3 1 2), or
 - 8 3 2 2 granting any option or other right to subscribe for shares (other than as set out in Article 3 1 2), or
 - 8 3 2 3 disposing of its undertaking or any substantial part thereof, or
 - 8 3 2 4 disposing of or acquiring any interest in any share in the capital of the Company
- 8 4 The special rights attached to the Deferred Shares may be varied or abrogated (except where the variation is connected with the matters referred to in sub-section 125(3)(c) of the Act), either whilst the Company is a going concern or during or in contemplation of a winding up with the consent in writing of COIF. None of the rights or restrictions attached to such Deferred Shares shall be or be deemed to be varied or abrogated in any way by the passing or coming into effect of any resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a special resolution to reduce the capital paid upon, and to cancel, such Deferred Shares)

9 **Anti-dilution Rights**

- 9 1 Subject to Article 9 3, if after the date of adoption of these Articles the Company proposes to issue shares (the "New Shares") at a price per share (the "New Price") which is less than £9.03 (or as amended

pursuant to Article 9 2) (the "**Subscription Price**") then the Company shall either -

9 1 1 allot to each A Ordinary Shareholder who subscribed for Equity Shares on the date of adoption of these Articles (such subscription for these purposes to include any subscription by way of capitalisation of loan stock or conversion of preference shares, in both cases, in the Company) (pro rata according to the number of Equity Shares so subscribed) by way of capitalisation of reserves, or

9 1 2 if there are no reserves to capitalise, offer to each A Ordinary Shareholder who subscribed for Equity Shares on the date of adoption of these Articles (such subscription for these purposes to include any subscription by way of capitalisation of loan stock or conversion of preference shares, in both cases, in the Company) (pro rata according to the number of Equity Shares so subscribed) the right to subscribe in cash at par for

such number of A Ordinary Shares ("**X**") which shall result in such Shareholders holding such number and class of Shares (excluding Deferred Shares) as they would have been issued with on the date of adoption of these Articles if they had subscribed for their Equity Shares at a price equivalent to the New Price (the "**Down-round**")

9.2 The Subscription Price shall be amended in the following circumstances -

9 2 1 in the case of a sub-division of Shares (excluding Deferred Shares) or a re-organisation of the share capital of the Company in such equitable manner (as approved by the Company's accountants from time to time) as shall cause X to be the same as if such sub-division or re-organisation had not occurred, or

9 2 2 following a Down-round, the Subscription Price shall be amended to be equal to the New Price used in the previous Down-round

9 3 The provisions of this Article 9 shall not apply in relation to

9.3 1 any Shares issued pursuant to Articles 3 1 2 or 5 3,

9 3 2 any Shares issued in consideration for the acquisition of shares in or any assets of any other entity;

9 3 3 any Shares issued to any lender to the Company as a term of the finance provided by it (including without limitation any equity kickers or sweat equity or the like). or

9 3 4 to any Shares issued as part of a minor fundraising, where the proceeds thereof (whether arising by one or a number of transactions) do not exceed £100,000

10 **Transfer of Shares - General**

10 1 The directors shall refuse to register any transfer of Shares which contravenes these Articles but (subject to Regulation 24 of Table A) may not otherwise refuse to register any transfer of Shares

10.2 To ensure that a particular transfer of Shares is permitted under these Articles, the directors may ask the transferor, or the person named as transferee in any transfer lodged for registration, to give the Company any information and evidence that the directors reasonably think is necessary or relevant. If that information or evidence is not furnished to the satisfaction of the directors within 28 days after the request, the directors may refuse to register the transfer in question.

10 3 Notwithstanding any other provision of these Articles, Deferred Shares shall not be transferred other than in accordance with Article 6 3

11 **Permitted Transfers**

Notwithstanding the provisions of any other Article, but subject to Articles 10 3 and 11 5, the transfers set out in this Article 11 shall be permitted without restriction and the provisions of Articles 11 and 12 shall have no application to any such transfer.

11 1 **Permitted transfers by any Investor**

11 1 1 Any Investor which is a body corporate shall be entitled to transfer all or any of its Equity Shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "Related Company") but if a Related Company whilst it is a holder of Equity Shares shall cease to be a Related Company in relation to the body first holding the relevant Equity Shares it shall, within 15 Business Days of so ceasing, transfer the Equity Shares held by it to such body or any Related Company of such body and failing such transfer the holder shall be deemed to have given a Transfer Notice.

11 1 2 Any Investor may transfer all or any of its Equity Shares to any person, body, firm or partnership whose business comprises to a material extent the holding for investment purposes of securities in and/or the provision of debt and other financial facilities to United Kingdom unlisted companies and includes any subsidiary, nominee, custodian

or manager used by such person, firm or partnership to hold such investments or to make available such facilities

11.1.3 An Investor which is an Investment Fund may transfer Equity Shares to -

11.1.3.1 any unitholder, shareholder, partner, participant in or manager of (or any employee of such manager) the Investment Fund,

11.1.3.2 any other Investment Fund managed or advised by the same manager as the transferring Investment Fund or to any Related Company of such manager,

11.1.3.3 any trustee or nominee of or custodian for the Investment Fund or any other transferee under Articles 11.1.1, 11.1.3.1 or 11.1.3.2,

11.1.4 Any Investor which is a limited partnership may transfer Equity Shares to any partner in such limited partnership acting in such capacity (provided such transfer is made in accordance with the fund or partnership agreement governing such entity or partnership)

11.1.5 Any Equity Shares which are held by an Investor on behalf of any collective investment scheme (within the meaning of Section 235 FSMA), may be transferred to participants (within the meaning of that section), in the scheme in question

11.1.6 Any Investor which is a trustee or nominee of or a custodian for an Investment Fund shall be entitled to transfer all or any of its Equity Shares to the Investment Fund or to any of the persons referred to in Articles 11.1.1, 11.1.3.1 or 11.1.3.2

11.2 Permitted transfers by Individuals

11.2.1 Subject to Articles 11.2.2 to 11.2.5 inclusive, any holder who is an individual may at any time transfer Equity Shares held by him to a person or persons shown to the reasonable satisfaction of the Board to be a Family Member of his or to trustees to be held under a Family Trust in relation to that individual

11.2.2 No Equity Shares shall be transferred under Article 11.2.1 by an individual who previously acquired those Equity Shares by way of transfer under Article 11.2.1 save to another individual who is a Family Member of the original holder of such Equity Shares or to trustees to be held under a

Family Trust in relation to the original holder of such Equity Shares

11.2.3 No transfer of Equity Shares shall be made by a holder under Article 11.2.1 who is not an Investor if the proposed transfer will result in 50% or more of the Equity Shares originally held by the member being held by that holder's Family Members and Family Trust unless otherwise agreed by the directors at a properly convened and quorate board meeting

11.2.4 Where Shares are held by trustees under a Family Trust -

11.2.4.1 those shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust,

11.2.4.2 those shares may at any time be transferred by those trustees to the settlor of that trust or any person to whom that settlor could have transferred them under Article 11.2.1 if he had remained the holder of them, and

11.2.4.3. if any of those shares cease to be held under a Family Trust (other than by virtue of a transfer made under Articles 11.2.4.1 or 11.2.4.2), the trustees shall be deemed to have given a Transfer Notice in respect of all the shares then held by those trustees

11.2.5 If -

11.2.5.1 any person has acquired Equity Shares as a Family Member of a holder by way of one or more transfers permitted under this Article 11.2, and

11.2.5.2 that person ceases to be a Family Member of that holder

that person shall forthwith transfer all the Equity Shares then held by that person back to that holder, for such consideration as they agree, within 15 Business Days of the cessation, or, failing such transfer within that period, shall be deemed to have given a Transfer Notice in respect of all the Equity Shares then held by that person

11.2.6 Subject to the provisions of Article 12, if the personal representatives of a deceased holder are permitted under these Articles to become registered as the holders of any of the deceased holder's Equity Shares and elect to do so, those

Equity Shares may at any time be transferred by those personal representatives under Article 11 2 1 to any person to whom the deceased holder could have transferred such Equity Shares under this Article if he had remained the holder of them. No other transfer of such Equity Shares by personal representatives shall be permitted under this Article 11

11 3 Transfer with a Special Majority approval

A transfer of any Equity Shares approved by a Special Majority which are not the subject of a Deemed Transfer Notice or have not been transferred following the issue of such notice may be made without restriction as to price or otherwise

11 4 Transfers by an Employee Trust

Where any Equity Shares are held by trustees of an Employee Trust

11 4 1 on any change of trustees, the Equity Shares may be transferred to the new trustees of that Employee Trust, and

11 4 2 the Equity Shares may be transferred at any time to any beneficiary of the trust if

11 4 2 1 an Investor Majority have approved the transfer, or

11 4 2 2 the transfer is pursuant to a Share Option Scheme

11 5 Restricted transfers

Notwithstanding any other provision of these Articles, no transfer of any Share in the capital of the Company shall be registered if it is to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind

12 Mandatory Transfers

Mandatory transfer on termination of employment

12 1 Subject to Article 12 4, if an Employee ceases for any reason (including death) to be a director or employee of or consultant to (whether in his own right or providing consultancy services through a service company) any Group Company and does not continue in that capacity in relation to any Group Company, a Transfer Notice shall (save at the discretion of the directors who may determine at a properly convened and quorate board meeting and confirmed in writing to the Company by an Investor Majority that a Transfer Notice is not deemed to have been given in respect of all or part of the Employee's Shares)

be deemed to have been served on the Company at 5 30 pm on the Termination Date in respect of all the Employee's Shares

- 12.2 Subject to Article 12.4, if an Employee ceases for any reason (including death) to be a director or employee of or consultant to (whether in his own right or providing consultancy services through a service company) any Group Company and does not continue in that capacity in relation to any Group Company and that Employee or his personal representatives or any person to whom Equity Shares have been transferred pursuant to Article 11.2 in relation to that Employee is issued with Equity Shares after the Termination Date (the "Issue Date") pursuant to the exercise of a pre-existing option or other right to acquire Equity Shares after the Termination Date (the "New Shares") then a Transfer Notice shall be deemed to have been served on the Company at 00.01am on the date of issue of all such New Shares
- 12.3 The Employee's Shares and the New Shares shall be subject to the restrictions in Article 12.6 until those Shares that are required to be sold by virtue of Article 12.4 have been validly transferred under Articles 11.3, 13 or 14.4. No transfer of any Employee's Share or New Shares may be made other than under Articles 11.3, 13 or 14.4 until those Shares that are required to be sold by virtue of Article 12.4 have been validly transferred under Articles 11.3, 13 or 14.4
- 12.4 In the event that an Employee is deemed to have given a Transfer Notice in accordance with Articles 12.1 and/or 12.2 (as appropriate) where he is a Good Leaver, the Transfer Notice shall only be deemed to have been given in respect of the following proportions of the Employee Shares and/or New Shares (as appropriate) that are held by him
- 12.4.1 if he ceases to be an employee or director of or consultant to any Group Company within 12 months of the date of the adoption of these Articles or, if later, the date upon which they acquired any of such Shares, 75% of such Employee Shares and/or New Shares (as appropriate),
- 12.4.2 if he ceases to be an employee or director of or consultant to any Group Company after 12 months but within 18 months of the date of the adoption of these Articles or, if later, the date upon which they acquired any of such Shares, 50% of such Employee Shares and/or New Shares (as appropriate),
- 12.4.3 if he ceases to be an employee or director of or consultant to any Group Company after 18 months but within 24 months of the date of the adoption of these Articles or, if later, the date upon which they acquired any of such Shares, 25% of such Employee Shares and/or New Shares (as appropriate), but

- 12 4 4 if he ceases to be an employee or director of or consultant to any Group Company after 24 months of the date of the adoption of these Articles or, if later, the date upon which they acquired any of such Shares, he shall not be required to transfer any of his Employee Shares and/or New Shares (as appropriate) (and no Transfer Notice shall be deemed to have been given in respect of such Shares)
- 12 5 Where an Employee is a Bad Leaver, the Transfer Notice shall be deemed to have been given in respect of 100% of the Employee Shares and/or New Shares held by him
- 12 6 The rights attaching to each Employee's Share and New Share (as appropriate) the subject of a deemed Transfer Notice shall be restricted immediately on the Termination Date or the Issue Date (as appropriate) in the following ways
- 12 6 1 the holders of such Shares shall cease to have any right to attend and vote at general meetings in respect of those Shares, and
- 12 6 2 the holder of such Shares shall be excluded from any offer under Articles 3 and 13 1 in respect of those Shares,
- save that these restrictions will cease to have effect immediately upon the transfer of those Shares the subject of a deemed Transfer Notice in accordance with Articles 11 3, 13 or 14 4)
- 12 7 The Employee shall be entitled to keep and shall not be required to transfer under Articles 12 1 and/or 12 2 any Exempted Shares, save that all voting rights attached to Exempted Shares that an Employee is entitled to retain notwithstanding him ceasing to be an employee or director of or consultant to any Group Company and by any person who acquired such Shares under Article 11 2 shall at the time he ceases to be an employee or director of or consultant to any Group Company forthwith be suspended. The Exempted Shares shall confer on the holders of such Exempted Shares ("**Restricted Members**") the right to receive notice of and to attend all general meetings of the Company but they shall have no right to vote thereat either in person or by proxy. All voting rights attached to any Exempted Shares shall be automatically restored prior to a Listing or Sale. If a Restricted Member transfers any Exempted Shares in accordance with these Articles to a person otherwise in accordance with Article 11 2, all voting rights attached to the Exempted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of Members) automatically be restored

Mandatory transfers on change of control of shareholder

- 12 8 If a corporate member (other than one that is an Investor) ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all Equity Shares as shall then be registered in its name

13 Pre-emption Rights

13 1. Transfer Notices

- 13 1 1 Save as otherwise provided in these Articles, every member who desires to transfer any Equity Shares shall give the Company notice in writing of that desire. The Transfer Notice must state to whom the member wants to transfer the Equity Shares (if anyone) (except in the case of a Deemed Transfer Notice)

- 13 1 2 Transfer Notices and Deemed Transfer Notices both constitute the Company as the Vendor's agent for the sale of the Sale Shares in one or more lots at the discretion of the directors at the Transfer Price

- 13.1 3 If

- 13 1 3 1 a member gives a Transfer Notice (not being a Deemed Transfer Notice), and

- 13 1 3 2 a Deemed Transfer Notice is subsequently deemed to be given by the same member before their Equity Shares are transferred

the original Transfer Notice will immediately be cancelled. Any offers made by the Company on behalf of the Vendor under that original Transfer Notice will automatically be withdrawn and will have no effect, even if accepted

13 2 Calculation of the Transfer Price

- 13 2 1 The Transfer Price shall be the price agreed by the Vendor and the Board (excluding the Vendor and any other director who holds Equity Shares which are the subject of a Deemed Transfer Notice and where such Deemed Transfer Notice is in respect of an Investor, any Investor Director appointed by that Investor). If the Vendor and the Board are unable to agree a price within 21 days of the Transfer Notice being given (or being deemed to have been given) the Transfer

Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of the Sale Shares (the "Fair Value") In arriving at his opinion, the Independent Expert will value the Sale Shares

13 2 1 1 as at the date the Transfer Notice is given or is deemed to have been given,

13 2 1 2 on a going concern basis as between a willing seller and a willing buyer,

13 2 1 3 ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that -

(a) they represent a minority interest, and

(b) that Article 12 5 (if applicable) applies to such Shares,

(c) that the voting rights in respect of such Sale Shares (if Exempted Shares) may have been suspended under Article 12 7, and

(d) ignoring any Deferred Shares that may be in issue at the time of the Transfer Notice or Deemed Transfer Notice

13 2 1 4 on the assumption that the Sale Shares are capable of transfer without restriction, and

13 2 1 5 taking into account the provisions of Article 5

The decision of the Independent Expert as to the Fair Value shall be final and binding save in the case of manifest error

13 2 2. If an Independent Expert is appointed under these Articles, each member will sign an engagement letter from the Independent Expert in the form agreed between that expert, the Company and COIF (unless COIF is the Vendor, when any other Investor shall be required to agree the form of the engagement letter in COIF's place) Each member acknowledges that the engagement letter will include a waiver of claims against the Independent Expert and similar 'hold harmless' provisions arising out of the expert's performance of its role If a member fails to sign the letter within 3 days of it being delivered to him, the Board (excluding the Vendor and any other director who holds Shares which are the subject of a Deemed Transfer Notice)

may authorise some person to sign it as attorney for the member

13 2 3 In the case of Compulsory Employee Transfers where the Employee is a Bad Leaver the Transfer Price shall be restricted to the lower of the original subscription price and the Fair Value of the Sale Shares

13 2 4 In the case of Compulsory Employee Transfers where the Employee is a Good Leaver, the Transfer Price shall be the Fair Value

13 3 **Total Transfer Condition**

A Transfer Notice (but not a Deemed Transfer Notice) may contain a Total Transfer Condition. A Total Transfer Condition shall be binding on the Company

13 4 **Certification of Fair Value and right of Vendor to Cancel**

13 4 1 If the Independent Expert is asked to certify the Fair Value, his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Vendor. Unless the Sale Shares are to be sold under a Deemed Transfer Notice, the Vendor may, by notice in writing to the Company within 7 days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares

13 4 2 The cost of obtaining the certificate shall be paid by the Company unless -

13 4 2 1 the Vendor cancels the Company's authority to sell,
or

13 4 2 2 the sale is pursuant to a Deemed Transfer Notice, and the Fair Value certified by the Independent Expert is less than the price (if any) offered by the directors to the Vendor for the Sale Shares before the Independent Expert was instructed

in which case the Vendor shall bear the cost

13 5 **Preliminary offer to a warehouse**

13 5 1 Within 14 days of the Transfer Price being determined, any Sale Shares being sold under a Compulsory Employee Transfer where the Employee Member is a Bad Leaver will be offered to an Employee Trust, or if there is no Employee Trust, to the Company, which with the prior written consent

of an Investor Majority may accept the offer itself. The Employee Trust or the Company (as appropriate) has 21 days from the date of the offer within which to accept it. The consent of an Investor Majority must be sought by the Employee Trust or the Company (as appropriate) within 7 days of the offer being made to it and such consent may not be unreasonably withheld or delayed. An Investor Majority will be deemed to have refused to give their consent if they have not given it within the 21 day period during which the Employee Trust or the Company (as appropriate) can accept the offer. Upon Completion of a transfer of the Sale Shares to an Employee Trust, the Shares the subject of the transfer shall automatically be converted into Ordinary Shares.

- 13.5.2 If the Employee Trust or the Company (as appropriate) does not accept the offer referred to in Article 13.5.1 within 21 days of it being made or if the Employee Trust or the Company (as appropriate) only accepts the offer in part, the Sale Shares (or those that have not been taken up by the Employee Trust or the Company (as appropriate) under Article 13.5.1) will immediately be offered to the holders of Shares (other than the Vendor) in accordance with Article 13.6.

13.6 Offer to members

- 13.6.1 The Transfer Shares will be offered to all holders of Equity Shares (other than the Vendor) -

13.6.1.1 in the case of a Compulsory Employee Transfer where the Employee is a Bad Leaver as soon as they become available (that is, the Employee Trust or the Company (as appropriate) have either declined an offer of Sale Shares, any period for accepting it has elapsed or it has accepted it in part), and

13.6.1.2 in the case of Shares being sold otherwise than pursuant to Article 13.6.1.1 above within 14 days of the Transfer Price being agreed or determined.

- 13.6.2 The offer under Article 13.6.1 shall be in writing, specifying

13.6.2.1 the number of Transfer Shares on offer and the Transfer Price,

13.6.2.2 whether the Transfer Shares on offer are subject to a Total Transfer Condition.

13 6 2 3 either

- (a) the person (if any) the Vendor wants to transfer the Transfer Shares to, or
- (b) the fact that the sale is pursuant to a Deemed Transfer Notice

(as the case may be), and

13 6 2 4 the date by which the application to purchase the Transfer Shares has to be received by the Company (being a date not less than 14 days and no more than 21 days after the date of the notice)

The notice shall invite each member to apply in writing to the Company for as many of the Transfer Shares (if any) as that member would like to purchase

13 7 Basis of allocation to members

13 7 1 The Transfer Shares shall be allocated by the directors in satisfaction of the applications received in accordance with the procedures set out in this Article

13 7 2 If the total number of Transfer Shares applied for by the members is equal to or less than the number of Transfer Shares available, the Transfer Shares shall be allocated in satisfaction of the applications received from members holding Equity Shares

13 7 3 If the total number of Transfer Shares applied for is more than the number of Transfer Shares available, the directors shall allocate Transfer Shares in satisfaction of each member's application for Transfer Shares in accordance with the following formula (rounded down to the nearest whole number of Shares) This formula shall be applied repeatedly until there are no Transfer Shares left to be allocated Each application of the formula is an **'iteration'**

$$A = \frac{B}{C} \times D$$

A is the number of Transfer Shares to be allocated to the relevant member in the iteration

B is the number of Shares (excluding Deferred Shares) held by the member

C is the number of Shares (excluding Deferred Shares) held by all members to whom the iteration is being applied

D is the number of Transfer Shares or, after the first iteration, the number of Transfer Shares remaining unallocated by previous iterations

If, in any iteration, a member would be allocated all or more than all of the Transfer Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that member. That member will cease to take part in any further iterations and the excess Transfer Shares will be available for allocation in the next iteration

- 13 7.4 The Company shall notify the Vendor and each member who applied for Transfer Shares of the number of Transfer Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Transfer Shares shall be completed

13 8 Transfer procedure for pre-emptive offers

If the Company finds purchasers for all or any of the Sale Shares under Articles 13 5 and/or 13 7, the Vendor shall, on receipt of the Transfer Price, transfer the Sale Shares (or those Sale Shares for which the Company has found purchasers) to those purchasers and upon completion of such transfer, the Sale Shares the subject of the transfer shall automatically convert into the class of Shares (other than Deferred Shares) held by that member at the time of the transfer (but if a member holds more than one class of Equity Share, such number of Sale Shares to be transferred to him shall be converted into A Ordinary Shares or Ordinary Shares (as appropriate) so as to ensure that the proportion of each class of Equity Share held by that member is the same before as well as after such transfer of Sale Shares). If the Vendor does not perform his obligations under this Article 13 8, the Company shall

- 13 8 1 (if so required by the persons willing to purchase the Sale Shares) receive and give a good discharge for the purchase money on behalf of the Vendor,
- 13 8.2 authorise any director of the Company to execute transfers of the Sale Shares in favour of the purchasers and the purchase contract, and

13 8 3 enter the names of the purchasers in the Company's register of members as the holder of the Sale Shares that were transferred to them

13 9 Transfers free of pre-emption

If the Company does not find purchasers for all of the Sale Shares under this Article 13, the Vendor may, within six months after the date of the offer by the Company to its members, sell and transfer the Sale Shares that have not been sold under this Article 13 to the persons specified in the Transfer Notice at a price which is no less than the Transfer Price. However, if the Sale Shares were

13 9 1 subject to a Total Transfer Condition, a sale may only be made of all the Sale Shares and not some of them; or

13 9 2 offered under a Deemed Transfer Notice, they may not be sold or transferred to any third party unless

13.9 2 1 the transfer is permitted under Article 11 3, or

13 9 2 2 the member serves a new Transfer Notice under Article 13 1

13.10 Effect of non-compliance

Any purported transfer of Shares which is not in accordance with these Articles is void

14 Transfer of Control

14 1 Transfer prohibited absolutely

Save for transfers permitted under Article 11, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered if, as a result of that sale or transfer and registration, a Controlling Interest would be obtained in the Company by a company in which one or more of the members of the Company (or persons acting in concert with them) has a Controlling Interest

14 2 Tag along

Save for transfers permitted under Articles 11 or 14 4, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered if, as a result of that sale or transfer and registration, a Controlling Interest would be obtained in the Company by a person or persons who are not Original Shareholders unless the proposed transferees or their nominees

14 2 1 are independent third parties acting in good faith, and

14.2.2 have offered to purchase all the Shares at the Specified Price

14.3 Calculation of the Specified Price

The 'Specified Price' means the sum of

14.3.1. the consideration (in cash or otherwise) per Equity Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares (other than Deferred Shares) being acquired,

14.3.2 but excluding any consideration attributable to arrears or accruals of dividends

If there is a disagreement, the calculation of the Specified Price shall be referred to an Independent Expert whose decision shall be final and binding

14.4 Drag along

14.4.1 If, a Buyer, having made offers to all members of the Company which are acceptable to -

14.4.1.1 if the offer occurs within 4 years of the date of adoption of these Articles, a Special Majority, or

14.4.1.2 if the offer occurs 4 or more years from the date of adoption of these Articles, the Sellers

receive valid acceptances which would on completion result in the Buyer becoming the holder of the Equity Shares held by the Special Majority or the Sellers (as appropriate) then those persons that comprise the same Special Majority or the same Sellers (as appropriate) that wish to transfer their Equity Shares shall have the option to require all the Called Shareholders to sell and transfer all their Equity Shares to the Buyer (or as the Buyer shall direct) in accordance with Articles 14.4.2 to 14.4.9

14.4.2 The Special Majority or the Sellers (as appropriate) may exercise the Drag Along Option by giving written notice to that effect at any time before the transfer of the Equity Shares held by the Special Majority or the Sellers (as appropriate) to the Buyer. A Drag Along Notice shall specify

14.4.2.1. that the Called Shareholders are required to transfer all their Called Shares under Article 14.4,

14 4 2 2 the person to whom they are to be transferred,

14 4 2 3 the consideration for which the Called Shares are to be transferred (calculated in accordance with Article 14 4 4), and

14 4 2 4 the proposed date of transfer

14 4 3 Drag Along Notices shall be irrevocable but will lapse if the Shares held by the Special Majority or the Sellers (as appropriate) are not sold to the Buyer within 60 days after the date the Drag Along Notice was served. The Special Majority or the Sellers (as appropriate) may serve further Drag Along Notices if any particular Drag Along Notice lapses.

14 4 4 The form (in cash or otherwise) and amount of the consideration payable for each Called Share shall be the consideration to be paid by the Buyer for each share held by the Special Majority or the Sellers (as appropriate), taking into account the provisions of Article 5 2 (the "Offer Consideration")

14 4 5 The sale of the Called Shares shall be completed on the date proposed for completion of the sale of the Equity Shares held by the Special Majority or the Sellers (as appropriate) or such other date as may be specified by the Special Majority or the Sellers (as appropriate) in the Drag Along Notice, unless the holders of 50% of the Called Shares and the Special Majority or the Sellers (as appropriate) agree otherwise.

14 4 6 The restrictions on transfer set out in Articles 11 3, 13 1, 14 1 and 14 2 shall not apply to any transfer of Equity Shares to a Buyer (or as he may direct) pursuant to the exercise of the Drag Along Option.

14 4 7 If any holder of Called Shares does not on completion of the sale of Called Shares execute transfers in respect of all his Called Shares, that holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Special Majority or the Sellers (as appropriate) to be his agent and attorney to

14 4 7 1 execute all necessary transfers on his behalf, and

14 4 7 2 against receipt by the Company (on trust for the holder) of the purchase monies or any other

consideration payable for the Called Shares. deliver those transfers to the Buyer (or as he may direct)

14 4 8 On completion of the sale of the Called Shares, the directors shall (subject only to stamping any stock transfer forms, if required) immediately register the Buyer (or as he may direct) as the holder of the Called Shares and, after the Buyer (or his nominee) has been registered as the holder, the validity of those proceedings shall not be questioned by any person. A person may be registered as the holder of the Called Shares under this Article 14 4 8 even if no certificate for those Shares has been produced

14 4 9 If any person becomes a member of the Company (a 'New Member') pursuant to the exercise of a pre-existing option or other right to acquire Equity Shares in the Company after a Drag Along Notice has been served, the New Member will be bound to sell and transfer all Equity Shares acquired by him to the Buyer or as the Buyer may direct. The provisions of Articles 14 4 1 to 14 4 8 shall apply (with the necessary changes) to the New Member, save that if the Equity Shares are acquired after the sale of the Called Shares has been completed, completion of the sale of the New Member's Shares shall take place immediately on the New Member acquiring the Equity Shares

14.5 Interpretation of this Article

In this Article 14 only

'transfer' and 'transferee' shall include respectively the renunciation of a renounceable letter of allotment and the renouncee under such a letter of allotment, and

'Shares' or 'shares' includes bearer shares, warrants, depository receipts and any other security or instrument into which shares may be converted with a view to a sale but, for the avoidance of doubt, does not include Deferred Shares

14 6 Primacy of Article

All other regulations of the Company relating to the transfer of Equity Shares and the rights to registration of transfers shall be read subject to this Article 14

15 Appointment and Removal of Directors

15 1 The directors may appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director provided that the

appointment does not cause the number of directors to exceed the maximum number referred to in Article 13 2 below

- 15 2 The maximum number of directors (other than alternate directors) shall be 8 and the minimum number shall be no less than two, unless the Board shall agree otherwise
- 15.3 The holders of more than 50% of the votes attaching to the Equity Shares may by notice to the Company remove any or all of the directors of the Company (other than an Investor Director)
- 15 4 On receipt of a notice given under Article 15 1, the Company shall serve a copy of it on the director to whom the notice relates, either in person or at the address of the director as shown in the statutory books of the Company at the time. If no address is shown, the notice may be sent to any address which the Company reasonably considers to be the director's then current address. Any failure on the part of the Company to comply with this Article 15 4 shall not affect the validity of the director's removal under Article 15 3
- 15 5 The office of a director (other than an Investor Director) shall be vacated if he ceases to be an employee or a consultant of a Group Company and does not continue in that capacity in relation to any Group Company.

16 **Investor Directors**

- 16 1 So long as COIF or its nominee has an interest in more than 9% of the issued Shares of the Company (excluding Deferred Shares), COIF acting directly or through its nominee may from time to time
 - 16 1 1 appoint any person as a director of the Company,
 - 16 1 2 remove from office any person so appointed, and
 - 16 1 3 appoint another person in his placein each case by giving notice in writing to the Company
- 16 2 So long as the Nominee, the Foreign Investor (and/or any investment fund of which Stargate is the Investment Manager) between them have an interest in more than 9% of the issued Shares of the Company (excluding Deferred Shares), Stargate may from time to time,
 - 16 2 1 appoint any person as a director of the Company,
 - 16 2 2 remove from office any person so appointed, and
 - 16 2 3 appoint another person in his place,

in each case by giving notice in writing to the Company

- 16 3 So long as Rising Stars or its nominee has an interest in more than 9% of the issued Shares of the Company (excluding Deferred Shares), Rising Stars acting directly or through its nominee may from time to time

16 3 1 appoint any person as a director of the Company,

16 3 2 remove from office any person so appointed, and

16 3 3 appoint another person in his place

in each case by giving notice in writing to the Company

- 16 4 Subject to and for so long as the Acceleris Investors or their nominees have an interest in more than 9% of the issued Shares of the Company (excluding Deferred Shares), Acceleris acting directly or through its nominee may from time to time

16 4 1 appoint any person as a director of the Company,

16 4 2 remove from office any person so appointed, and

16 4 3 appoint another person in his place,

in each case by giving notice in writing to the Company

- 16 5 Any appointment or removal under this Article 16 takes effect on the later of

16 5 1 the date the notice was personally delivered to the Company's registered office or deemed given (if posted) under Regulation 115 of Table A, and

16 5 2 the date (if any) specified in the notice

- 16 6 On request by COIF the Directors shall also procure that the Investor Director appointed by COIF under Article 16 1 is appointed and acts as chairman of the Board

- 16 7 On request by his appointor the Company shall also procure that any Investor Director is appointed as a director of any other Group Company and appointed to all committees of the Board

17 **Meetings of Directors**

- 17 1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose

Notice shall be given whether or not the director is present in the United Kingdom

- 17 2 Any director may waive notice of any meeting either prospectively or retrospectively and, if he does so, it shall be no objection to the validity of the meeting that notice was not given to him
- 17 3 Meetings of the directors may be held by conference telephone or similar equipment, so long as all the participants can hear each other Those meetings shall be as effective as if the directors had met in person
- 17 4 The quorum for the transaction of the business of the directors shall be two directors or their respective alternates present throughout the meeting at which the business is to be transacted which shall include one of the Investor Directors (or their alternates) if appointed If within two hours from the time appointed for the meeting a quorum is not present, the director or directors and/or alternate director or alternate directors present shall be a quorum and will constitute a valid meeting for all purposes
- 17 5 The Chairman shall not have a casting vote and Regulation 88 shall be amended accordingly.

18 **Directors' Conflicts of Interest**

- 18 1 Subject to the Act and to Article 18 2 and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office.-
 - 18 1 1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested,
 - 18 1 2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or be otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,
 - 18 1 3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,
 - 18 1 4 shall not by reason of his office be accountable to the Company for any benefit which he derives from the arrangements in paragraphs 18 1 1 to 18 1 3 of this Article 18 and those arrangements shall not be liable to be avoided on the ground of the director's interest or benefit, and

18 1 5 may vote and be counted in the quorum at any meeting of the directors notwithstanding his interest

18 2 For the purposes of this Article 18.-

18 2 1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in the transaction or arrangement of the nature and extent so specified,

18 2 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his and

18 2 3 an interest of a person who is for any purpose of the Act connected with a director shall be treated as an interest of the director and, in relation to an alternate director, an interest of the director who appointed him shall be treated as an interest of the alternate director. without affecting the alternate director's obligation to disclose his own interest (if any)

19 **Lien**

The lien conferred by regulation 8 of Table A shall apply to all Shares of the Company whether fully paid or not for all money or liabilities owed to the Company by any person who is a registered holder of Shares whether they are the sole registered holder of the Shares or one of several joint holders

20 **Seal**

20 1 Regulation 6 of Table A shall be modified so that a certificate may either be sealed or, alternatively, signed by two officers of the Company

20 2 Regulation 101 of Table A shall be modified by the insertion of the words ", if the Company has one," after the words "The seal" at the beginning of that regulation

21 **Data protection**

21 1 Each of the members and directors of the Company (from time to time) consent to the processing of their personal data by the Company or its members and directors (each a 'Recipient') for the following purposes

21 1 1 conducting due diligence,

21.1.2 compliance with applicable laws, regulations and procedures, and

21.1.3 the exchange of information amongst themselves

21.2 A Recipient may process that personal data either electronically or manually. The personal data which may be processed for these purposes under this Article 19 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any Shares (or other investment or security) in the Company. Other than as required by law, court order or regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to its holding company and to subsidiaries of that holding company ('Recipient Group Companies') and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Company's members and directors (from time to time) consent to the transfer of that personal data to the offices of a Recipient or the Recipient Group Companies both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

22 **Indemnity**

22.1 Subject to the provisions of the Act, every director of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in the performance of his duties as a director (the "Indemnity") to the fullest extent permissible at law but only to the extent that such Indemnity is a "qualifying third party indemnity provision" within the meaning of Section 309B(1) of the Act and the Company may provide a director with funds in accordance with Section 337A of the Act to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with any application under the provisions mentioned in Section 337A(2) of the Act but so that any provision of funds will become repayable by the director or any liability of the Company under any transaction connected with any provision of funds will become repayable by the director, not later than -

22.1.1 in the event of the director being convicted in the proceedings, the date when the conviction becomes final,

22.1.2 in the event of judgment being given against him in the proceedings, the date when the judgment becomes final; or

22.1.3 in the event of the court refusing to grant him relief on the application, the date when the refusal or relief becomes final

- 22 2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company in relation to its affairs

23 **General Meetings**

- 23 1 No business shall be transacted at any meeting unless a quorum is present Two persons entitled to vote upon the business to be transacted each being a member or a proxy for a member or a duly authorised representative of a corporation that is a member shall be a quorum provided that the holder(s) of more than 50% of the issued share capital of the Company are present either in person or by proxy and provided that authorised representatives of COIF and Rising Stars are present in person or by proxy
- 23 2 Meetings of the members may be held by conference telephone or similar equipment, so long as all participants can hear each other. Those meetings shall be effective as if the members had met in person Regulation 40 shall be amended accordingly
- 23 3 If a meeting is adjourned under Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those members present shall form a quorum and Regulation 41 shall be modified accordingly

24 **Definitions and Interpretation**

24 1 **General**

- 24 1 1 In these Articles, a reference to a statute or statutory provision includes
- 24 1 1 1 any subordinate legislation (as defined in section 21(1), Interpretation Act 1978) made under it,
- 24 1 1 2 any repeated statute or statutory provision which it re-enacts (with or without modification), and
- 24 1 1 3 any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it, except to the extent that it would create or increase the liability of any member
- 24 1 2 The headings in these Articles and the contents page are for convenience only and shall not affect its construction or interpretation

24.1.3 Where the expressions 'equity share capital', 'holding company' and 'subsidiary' are used in these Articles they have the meanings given to them by the Act

24.1.4 Unless the context otherwise requires

24.1.4.1 words denoting the singular shall include the plural and vice versa,

24.1.4.2 words denoting a gender shall include all genders, and

24.1.4.3 references to persons shall include corporations and firms

24.1.5. The 'ejusdem generic' (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, 'include' and 'including' will be read without limitation

24.2 Definitions

"A Ordinary Shares" means A ordinary shares of £0.01 each in the capital of the Company,

"A Ordinary Shareholder" means a holder of A Ordinary Shares,

"Acceleris" means Acceleris plc,

"Acceleris Investors" means Shareholders in the Company that have been introduced by Acceleris to the Company,

"Act" means Companies Act 1985,

"acting in concert" has the same meaning as in the City Code on Takeovers and Mergers from time to time,

"Articles" means these articles of association and an 'Article' means an article of these Articles,

"Bad Leaver" means an Employee who is not a Good Leaver,

"Board" means the board of directors of the Company for the time being

"Buyer" means a bona fide arm's length purchaser for value,

"Called Shareholders" means the holders of Equity Shares (other than those persons that comprise a Special Majority or the Sellers (as appropriate)).

"Called Shares"	means the Equity Shares held by the Called Shareholders,
"COIF"	means The North East Co-Investment Fund Limited Partnership,
"Compulsory Employee Transfer"	means a transfer of Equity Shares pursuant to a Deemed Transfer Notice given under Article 12 1,
"Controlling Interest"	means an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate more than 50% of the total voting rights conferred by all the issued shares in that company.
"Deemed Transfer Notice"	means a Transfer Notice which is deemed to have been given,
"Deferred Shareholders"	means a holder of Deferred Shares,
"Deferred Shares"	means deferred shares of 1p each in the capital of the Company,
"Drag Along Notice"	means a notice to exercise the Drag Along Option given under Article 14 4.
"Drag Along Option"	means the option referred to in Article 14 4,
"Employee"	means a person who is a director and/or an employee and/or a consultant (whether in his own right or as a named individual providing consultancy services through a service company) of or to a Group Company but excluding any Investor who is also a director and/or employee and/or consultant of or to a Group Company,
"Employee's Shares"	means in relation to an Employee, all Equity Shares held by the Employee or any company through which the Employee provides his services to the Company and any person to whom such Equity Shares have been transferred pursuant to Article 11 2 other than any and all Exempted Shares,
"Equity Shares"	means A Ordinary Shares and Ordinary Shares,
"Exempted Shares"	means all and any Equity Shares acquired by an Employee for value at any time prior to the date of adoption of these Articles and those Employee's Shares or New Shares that the Employee is deemed not to have given a deemed Transfer Notice by virtue of the provisions of Article 12 4,

"Employee Trust"	means a trust approved by an Investor Majority and whose beneficiaries are the employees of the Group,
"Fair Value"	means the fair value for the Sale Shares determined in accordance with Article 13 2,
"Family Member"	means as regards any particular individual member or deceased or former individual member - <ul style="list-style-type: none"> (a) his spouse or any former spouse, and (b) his surviving spouse or any former spouse, and (c) all his lineal descendants and ascendants in direct line of that individual and their lineal descendants and a husband or wife or former husband or wife or widower or widow of any of the above persons. A step-child or adopted child or illegitimate child of any person shall be deemed to be a lineal descendant of such person and of the lineal ascendants of such person,
"Family Trust"	means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than that individual and/or Family Members of the individual (or any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or its income when the trust is created but may become so interested if there are no beneficiaries from time to time except any such charity or charities)) and so that for these purposes a person shall be deemed to be beneficially interested in a share if such share or its income is or may become liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are or may become liable to be exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred by such trusts on any person or persons,

"Foreign Investors"	means each of Minerva Trustees Limited re Mansukh, Minerva Trustees Limited re Ramesh and Kaupthing Bank Luxembourg SA,
"FSMA"	means the Financial Services and Markets Act 2000,
"Good Leaver"	means an Employee who ceases to be a director or employee or consultant (whether in his own right or as a named individual providing consultancy services through a service company) of or to any Group Company and does not continue as either a director or employee or consultant in relation to any of or to them and either - <ul style="list-style-type: none"> (a) the reason for such cessation is because of the - <ul style="list-style-type: none"> (i) death of the Employee, or (ii) retirement of the Employee at normal retirement age, or (iii) permanent incapacity of the Employee entitling the relevant Group Company to dismiss the Employee and/or terminate the consultancy arrangements through which the Employee provides his services to any Group Company, or (iv) dismissal or termination by the Employee's employing/engaging Group Company following a breach by the Employee's employing/engaging Group Company of the terms of his contract of employment or his or his service company's terms of engagement, or (v) the termination of the Employee's contract of employment by consent other than for reasons of gross misconduct or dishonesty, or (vi) the termination of the Employee's contract of employment in circumstances that amount to unfair, wrongful or constructive dismissal, or (vii) the Employee being made redundant, or (b) an Employee is otherwise categorised as a Good Leaver by the directors at a properly convened and quorate meeting of the Board

and such categorisation is confirmed by written notice to the Company from an Investor Majority,

"Group"	means all the Group Companies,
"Group Company"	means the Company and any company which is for the time being a subsidiary or holding company of the Company and any other subsidiary of such holding company,
"Independent Expert"	means an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales,
"Index Linked"	means adjusted annually each 1 January starting on 1 January 2008. The amount of the increase shall be the percentage increase in the retail price index (or such reasonably equivalent index) for the preceding 12 months except for the first increase which shall be made by reference to the period from the first day of the month in which these Articles were adopted to 31 December 2007.
"Investment Fund"	means a fund, partnership company, investment trust or other entity whose principal business is to make investments and whose business is managed by person whose principal business is to make, manage or advise upon investments,
"Investor"	means COIF, Rising Stars, the Nominee, the Foreign Investors and if they become Shareholders in the Company, the Acceleris Investors,
"Investor Directors"	means directors appointed under Article 16,
"Investor Majority"	means Investors who together hold [75]% or more of the A Ordinary Shares and the Ordinary Shares in issue and held by Investors (but excluding from this calculation the Ordinary Shares held by Rising Stars),
"Listing"	means the admission of the Company's equity securities to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities or admission to the Alternative Investment Market or any Recognised Investment Exchange (as such term is defined in Section 285 of FSMA) or any

	investment exchange which meets the criteria specified in Part I or specified in Part II or Part III of Schedule 2 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 becoming effective and "list" and "listed" shall be construed accordingly,
"Listing Shares"	means the issued equity share capital of the Company (excluding any equity share capital to be subscribed and issued on Listing but including new shares to be paid by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares),
"Managers"	means Alison Kibble, James Bradley, Julia Herbert, Adrian Wright who hold Equity Shares in the Company,
"New Shares"	shall have the meaning ascribed to it in Article 12 2,
the "Nominee"	means Share Nominees Limited (CRN 2476691),
"Ordinary Shares"	means ordinary shares of £0.01 each in the capital of the Company,
"Ordinary Shareholders"	means a holder of Ordinary Shares,
"Original Shareholders"	means the members of the Company at 11 59 pm on the day before the date of adoption of these Articles,
"Realisation Value"	means, in the case of a Listing which is not an introduction, the market value of the Listing Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the Listing, all as determined by the merchant bank or, if none, the broker appointed by the Board to advise in connection with the Listing;
"Rising Stars"	means Rising Stars Growth Fund;
"Sale"	means the sale of a Controlling Interest in the Company,
"Sale Shares"	means Equity Shares specified in the Transfer Notice, or in respect of which the Transfer Notice was deemed to have been given,
"Sellers"	means those Investors that constitute an Investor Majority,
"Share Option"	means any share option scheme of the Company that

"Scheme"	an Investor Majority identify in writing as being a permitted share option scheme for the purposes of these Articles,
"Shareholders"	means the A Ordinary Shareholders and the Ordinary Shareholders,
"Shares" or "shares"	means A Ordinary Shares and Ordinary Shares,
"Special Majority"	means the holders of 75% or more of the Shares, which must include COIF and Rising Stars,
"Specified Price"	means the price calculated in accordance with Article 14.3,
"Stargate"	means Stargate Capital Management Limited, registered number 3824592, whose registered office is at 62-65 Trafalgar Square, London, WC2N 5DY,
"Table A"	means the Companies (Tables A-F) Regulations 1985 (as amended by the Companies (Tables A-F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000),
"Termination Date"	means the first of- <ul style="list-style-type: none"> (a) where the Employee's employment ceases by virtue of notice given by the employer to the Employee, the date on which the notice expires, (b) where the Employee's employment ceases by consent (other than for reasons of gross misconduct or dishonesty) the date when such consent is given by him to the Company, (c) where the Employee's contract of employment is terminated by the employer and a payment is made or is liable to be made in lieu of notice, the date on which notice of termination was served, (d) where the Employee concerned is a director or a consultant but not an employee, the date on which the contract for the provision of his services is terminated or his directorship ceases, whichever first occurs, (e) where the Employee dies, the date of his death, and

- (f) in any other case, the date on which the Employee's office or contract of employment or the consultancy arrangements through which the Employee provides his service is terminated or is deemed to have been terminated,

"Total Transfer Condition"	means a condition that unless all the Equity Shares specified in the Transfer Notice are sold under Article 12, none shall be sold,
"transfer"	means in relation to a transfer of Shares, shall be deemed to include a transfer of any interest in Shares (whether legal, beneficial or otherwise).
"Transfer Notice"	means a notice given by a member who desires to transfer any Shares under Article 13 1,
"Transfer Price"	means the sale price of the Sale Shares, determined in accordance with Article 13 2,
"Transfer Shares"	means those Sale Shares that are available to be offered to the members of the Company pursuant to Article 13 6 (excluding Sale Shares that have been taken up by the Employee Trust under Article 13 5 1), and
"Vendor"	means the transferor under a Transfer Notice or a Deemed Transfer Notice