

Company number. 5045547

Companies Acts 1985, 1989 and 2006

Private Company Limited by Shares

Written Resolutions

of

Hummus Brothers Limited

(The Company)



A46

08/07/2008

COMPANIES HOUSE

371

Circulated on 3<sup>rd</sup> JULY 2008

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolutions are passed (the **Resolutions**):

**Ordinary Resolution**

1. THAT the authorised share capital of the Company be increased from £65,216 to £176,605 by the creation of 88,423 preference shares of £1 00 each, 2,966 B Ordinary Shares of £1.00 each and 20,000 ordinary 'C' shares of £1 00 each

**Special Resolution**

1. THAT the regulations contained in the document attached hereto be adopted as the Articles of Association of the Company in substitution for and to the entire exclusion of the existing Articles of Association

The undersigned, being such persons as are entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably vote for or against the Resolutions as indicated in the space provided above:

Name	Signature	Date
Christian Mouysset		03/07/08
Ron Givon		3/7/08
Hannah Givon		03/07/2008

**DATED**

3 July 2008

**THE COMPANIES ACTS 1985 TO 2006**

**COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION**

**HUMMUS BROTHERS LIMITED**

(Company No 05045547)

Adopted by special resolution on 3 July 2008

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**THE COMPANIES ACTS 1985 TO 2006**

**COMPANY LIMITED BY SHARES**

**NEW ARTICLES OF ASSOCIATION**

of

**HUMMUS BROTHERS LIMITED**

(Company No 05045547)

(Adopted by special resolution on 3 July 2008)

**1. DEFINITIONS**

1 1 In these Articles the following words and phrases have the meanings set out opposite them below

**“Accounts”** the consolidated audited balance sheet and profit and loss account of the Group for each financial year,

**“the Act”** the Companies Act 1985, the Companies Act 2006 (as appropriate in the circumstances) and every statutory modification or re-enactment thereof for the time being in force,

**“Arrears”** all arrears, accruals and deficiencies of any dividend or other sums payable in respect of the relevant share whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend or sums, together with all interest and other amounts payable thereon,

**“Articles”** the articles of association of the Company from time to time,

**“Auditors”** the auditors of the Company from time to time,

**“Available Profits”** profits available for distribution within the meaning of the Act,

**“Board”** the board of directors of the Company from time to time acting by the resolution of a duly convened and quorate meeting,

**“B Shares”** means B ordinary shares of £1 00 each in the capital of the Company,

**“Business Days”** any day other than a Saturday, Sunday or English bank holiday,

**“Business Plan”** means the annual business plan adopted by the Company in accordance with the Investment Agreement,

**“Connected Persons”** as defined by section 839 Income and Corporation Taxes Act 1988,

**“a Controlling Interest”** an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company,

**“C Ordinary Shares”** means C Ordinary Shares of £1 00 each in the capital of the Company,

**“Employee Member”** a person (other than the Non-Executive) who is or has been a director and/or an employee of any member of the Group and holds Equity Shares in the Company,

**“Equity Shares”** C Ordinary Shares, B Shares and Ordinary Shares,

**“Exit”** means a Sale or IPO,

**“Family Trust”** a trust which only permits the settled property or the income therefrom to be applied for the benefit of -

- (i) the settlor and/or a Privileged Relation of that settlor, or
- (ii) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor For purposes of this definition

'settlor' includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member,

**"Fund"** means THE CAPITAL FUND NO 1 L P, a limited partnership duly registered under the Limited Partnership Act 1907 with number LP008188 whose principal place of business is at GLE-First Floor, New City Court, 20 St Thomas Street London SE1 9RS and its successors and assigns and any assignee of the rights and benefits of the Fund under the Investment Agreement,

**"Good Leaver"** means an Employee Member who ceases to be a director or employee of the Company or any of its Subsidiaries in circumstances of

- (i) death,
- (ii) permanent incapacity due to ill-health (except where such ill-health arises as a result of an abuse of drink or drugs) which, in the opinion of the Board is sufficiently serious to prevent him from carrying out his normal duties,
- (iii) retirement (at normal retirement age for the Company),
- (iv) dismissal by the Company where such dismissal has been found by a tribunal or court of competent jurisdiction to be unfair or wrongful other than as a consequence of some procedural irregularity or where the Company has admitted that such dismissal is unfair or wrongful,
- (v) redundancy within the meaning of the Employment Rights Act 1996, or
- (vi) where the Board (with the prior written consent of the Fund) has consented to the Employee Member ceasing to be a director or employee of the Company or any of its Subsidiaries,

and does not continue as either a director or employee in relation to any of them,

**"Group"** the Company and its Subsidiary Undertakings (if any) from time to time and references to "Group Company" and "members of the Group" shall be construed accordingly,

**"Independent Expert"** 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,

**"Interest Rate"** the rate of 4% over the base rate from time to time of Barclays Bank plc,

**"Investment Agreement"** the agreement dated 3 July 2008 between, amongst others, the Manager, the Company and the shareholders of the Company immediately prior to the Investment Date,

**"Investment Date"** means 3 July 2008,

**"IPO"** means the admission of any part of the share capital of the Company to trading on a public market or stock exchange,

**"Issue Price"** means in relation to any share, the amount paid up or credited as paid up on it (including the full amount of any premium at which such share was issued whether or not such premium is applied for any purpose after that),

**"Manager"** means YFM Venture Finance Limited (registered in England and Wales with number 4195617) or any party appointed as the successor to YFM Venture Finance Limited as the representative of the Fund,

**"Non-Executive"** means the director appointed pursuant to Article 21,

**"Ordinary Share Capital"** means the Ordinary Shares, the B Shares and the C Ordinary Shares,

**"Ordinary Shares"** means ordinary shares of £1 00 each in the capital of the Company,

**"Preference Shares"** means preference shares of £1 00 each in the capital of the Company,

**"Privileged Relations"** the spouse or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children,

**"Profits"** the amount of profit of the Group for the financial year in question (as disclosed by the Accounts)

- (a) before any provision or reserve shall have been made for or in respect of
  - (i) the payment of any dividend or other distribution on or in respect of any shares or the transfer of any sum to reserves,
  - (ii) the amortisation or writing-off of goodwill arising on consolidation, and
  - (iii) any extraordinary items which reduce said profit,
- (b) after provision shall have been made for corporation tax (or any other tax levied upon or measured by reference to profits) on the profits earned by the Group,

**"Proportionate Entitlement"** means that number of Sale Shares which is in proportion (as nearly as possible) to their existing holdings of Shares,

**"Sale"** the transfer (whether through a single transaction or a series of transactions) of shares in the Company as a result of which any person (or persons connected with each other, or persons acting in concert with each other (within the meaning given in the City Code on Takeovers and Mergers as in force at the Investment Date)) would hold or acquire beneficial ownership of or over that number of shares in the Company which in aggregate confers 50 per cent or more of the voting rights normally exercisable at general meetings of the Company,

**"Scheme"** means the share option scheme of the Company in force from time to time,

**"Subsidiary"** as defined in s736 of the Act,

**"Subsidiary Undertakings"** as defined in s258 of the Act,

**"Table A"** means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendments) Regulations 1985, and

**"Total Issue Price"** means the amount paid up or credited as paid up on all the shares of the same class held by a member (including the full amount of any premium at which such shares were issued whether or not such premium is applied for any purpose after that)

## **2. APPLICATION OF TABLE A**

- 2 1 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the articles hereinafter contained shall be the regulations of the Company
- 2 2 Regulations 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company

## **3. SHARE CAPITAL**

The authorised share capital of the Company at the Investment Date is £176,605 divided into

60,000 Ordinary Shares of £1 00 each, and

8,182 B Shares of £1 00 each, and

20,000 C Ordinary Shares of £1 00 each, and

88,423 Preference Shares of £1 00 each

## **4. DIVIDEND RIGHTS**

- 4 1 The rights as regards income attaching to each class of share shall be as set out in this Article
- 4 2 If the Company has Distributable Profits the Company shall, without resolution of the Board or of the Company in general meeting and before application of any profits to reserve or for any other purpose in relation to each financial year of the Company ending on or after 31 August (**"Financial Year"**) for Financial Years including and prior to the year ending 31 August 2009 pay in respect of the issued C Ordinary Shares (as a class) a cumulative preferential dividend (**"Cumulative Dividend"**) which shall amount to the greater of the aggregate dividend per share declared to the holders of the Equity Shares (other than to the holders of the C Ordinary Shares) in respect of the relevant Financial Year
- 4 3 If the Company has Distributable Profits the Company shall, without resolution of the Board or of the Company in general meeting and before application of any profits to reserve or for any other purpose in relation to each financial year of the Company

ending on or after 31 August (“**Financial Year**”) for Financial Years including or after the year ending 31 August 2010 pay in respect of the issued C Ordinary Shares (as a class) a cumulative preferential dividend (“**Cumulative Dividend**”) which shall amount to the percentage of the Profits calculated by reference to the following table

<b>Financial Year</b>	<b>% of Profits</b>
Financial Year ending 31 August 2010	10 %
Financial Year ending 31 August 2011	16 %
All Financial Years ending on or after 31 August 2012	22 %

- 4 4 The Cumulative Dividend (if any) shall be payable within 28 days of the approval by the Board of the relevant annual accounts and in any event not later than three months after the end of the relevant year and shall be payable to, and apportioned among, the holders (on the due date for payment) of C Ordinary Shares according to the number of such shares held by them
- 4 5 Each Cumulative Dividend shall be deemed to accrue from day to day as well after as before the commencement of a winding-up and shall therefore be payable by a liquidator in respect of any period after such commencement in priority to other claims or rights of shareholders in respect of share capital
- 4 6 Each Cumulative Dividend shall, provided the Company has sufficient Available Profits out of which to pay the same and notwithstanding that such dividend is expressed to be cumulative, automatically become a debt due from and immediately payable by the Company on the relevant payment date specified in Article 4 2 If and to the extent that the debt so constituted is not paid in full on the payment date concerned, the unpaid amount shall carry interest at the Interest Rate in respect of the period from and including the payment date concerned to the date of actual payment
- 4 7 If the Company is unable to pay any Cumulative Dividend in full on the due date by reason of having insufficient Available Profits then it shall on such date pay the same to the extent that it is lawfully able to do so and shall pay any amount which it is not able to pay on the due date when the Company has sufficient Available Profits with which to pay the relevant Cumulative Dividend For the avoidance of doubt if the

Company is unable to pay any Cumulative Dividend in full on the due date by reason of having insufficient Available Profits interest shall not accrue on such unpaid amount

- 4 8 Where by reason of the Company having had insufficient Available Profits it is in arrears with the payment of Cumulative Dividends, the first Available Profits arising thereafter shall be applied in or towards paying off all Arrears of Cumulative Dividend (including, without limitation, the rights to Arrears of Cumulative Dividend relating to C Ordinary Shares converted pursuant to Article 9)
- 4 9 Subject in each case to (i) Article 4 8, (ii) the Board recommending payment of the same and (iii) consent of the holders of the majority of the C Ordinary Shares, any Available Profits which the Company may determine to distribute in addition to those distributed under Article 4 2 shall be applied (i) first on each Ordinary Share and each B Share an amount equal to the amount of dividend paid on each C Ordinary Share in the relevant financial year and (ii) second to the extent further Available Profits remain they shall be applied amongst the holders of Ordinary Shares, B Shares and C Ordinary Shares (pari passu as if the same constituted the same of share) according to the amount paid up or credited as paid up on each such share or, following conversion of the C Ordinary Shares and B Shares pursuant to Article 9 (Conversion), amongst the holders of the Ordinary Shares according to the amount paid up or credited as paid up on each such share
- 4 10 The Company shall procure (so far as it is able) that each of its Subsidiaries and each of its Subsidiary Undertakings which has Available Profits shall from time to time declare and pay to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) such dividends as are necessary to permit lawful and prompt payment by the Company of the Cumulative Dividends
- 4 11 For so long as there are C Ordinary Shares in issue, the Company shall direct the Auditors to prepare (at the Company's expense) a certificate stating the Profits for each financial year of the Company ending on or after 31 August at the same time as the Accounts for that year are being audited The Company shall cause a copy of such certificate to be delivered with the Accounts for the relevant financial year to every holder of C Ordinary Shares The certificate of the Auditors (acting as experts and not as arbitrators) as to the amount of the Profits in any financial year shall

(except in the case of manifest error) be conclusive, final and binding on the Company and the shareholders

4 12 The Preference Shares shall have no right to any income of the Company

## **5. PURCHASE OF OWN SHARES**

To the extent permitted by the Act, 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 Available Profits of the Company or the proceeds of a fresh issue of shares

## **6. VARIATION OF RIGHTS**

6 1 Subject to the conversion rights attaching to the C Ordinary Shares, whenever the capital of the Company is divided into different classes of shares the rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the prior written consent of the holders of more than three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of that class, but not otherwise To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutates mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in number of the issued shares of the class (unless all shares of any class are registered in the name of a single shareholder, in which case the quorum shall be that person or its duly authorised representative) (but so that, if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum) and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the relevant class held by them respectively

6 2 Without prejudice to the generality of this Article, the rights attached to each of the C Ordinary Shares shall be deemed to be varied

6 2 1 by the Company

6 2 1 1 altering its memorandum or articles of association, or

- 6 2 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, or
- 6 2 1 3 applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company, or
- 6 2 1 4 entering into a contract to purchase any of its shares, or
- 6 2 1 5 redeeming any of its shares, or
- 6 2 1 6 passing a resolution that it be wound up (in the absence of written advice of a qualified and experienced insolvency practitioner that the Company is, or will be, if it does not pass such a resolution forthwith, trading while insolvent), or
- 6 2 1 7 proceeding with an IPO, or
- 6 2 2 by any member of the Group
  - 6 2 2 1 altering, increasing, reducing, sub-dividing or consolidating its authorised or issued share capital except pursuant to and in accordance with the Scheme (provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 10% of the Ordinary Share Capital of the Company in issue at the relevant time, or
  - 6 2 2 2 granting any option or other right to subscribe for shares except pursuant to and in accordance with the Scheme (provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 10% of the Ordinary Share Capital of the Company in issue at the relevant time, or
  - 6 2 2 3 creating any charge,
- 6 2 3 by the removal of the Non-executive, other than pursuant to Article 21 or the Investment Agreement

## **7. RETURN OF CAPITAL**

7 1 On a return of assets on liquidation or capital reduction, the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority -

7 1 1 first in paying to the holders of the C Ordinary Shares a sum equal to all unpaid Arrears of dividend thereon,

7 1 2 second in paying to the holders of C Ordinary Shares the Total Issue Price,

7 1 3 third in paying to the holders of the Preference Shares the Total Issue Price,

7 1 4 fourth in paying to the holders of Ordinary Shares the Total Issue Price,

7 1 5 fifth in paying to the holders of the B Shares the Total Issue Price,

7 1 6 sixth, the balance after the distributions made pursuant to 7 1 1, 7 1 2, 7 1 3, 7 1 4 and 7 1 5 up to a maximum value of £3,000,000 shall be distributed amongst the holders of the Ordinary Shares, the B Shares and the C Ordinary Shares *pari passu* as if the same constituted one class of share in proportion to the percentage of shares held by them in the Company, and

7 1 7 seventh, where on a return of assets on liquidation or capital reduction, the proceeds or (as applicable) the assets of the Company remaining after the payment of its liabilities is in excess of £3,000,000, any amount in excess of £3,000,000 shall be distributed to the holders of the Ordinary Shares, the B Shares and the C Ordinary Shares such that the holders of the C Ordinary Shares receive an amount equal to a multiple of 0.6 of the percentage of shares held by them in the Company and the holders of the Ordinary Shares and the B Shares receive the balance remaining after the entitlement of the holders of C Ordinary Shares in proportion to the percentage of Ordinary Shares or B Shares held by them in the Company

## **8. RIGHTS ON EXIT**

8 1 In the event of an Exit where the exit involves the sale of 100% of Equity Shares in the Company then, notwithstanding anything to the contrary in the terms and conditions governing such an Exit the selling shareholders immediately prior to such

Exit shall procure that the consideration (whenever received) shall be placed in a designated trustee account and shall be distributed amongst such selling shareholders in the following order of priority

8 1 1 first in paying to the holders of the C Ordinary Shares a sum equal to all unpaid Arrears of dividend thereon,

8 1 2 second in paying to the holders of the C Ordinary Shares the Total Issue Price,

8 1 3 third in paying to the holders of the Preference Shares the Total Issue Price,

8 1 4 fourth in paying to the holders of the Ordinary Shares the Total Issue Price,

8 1 5 fifth in paying to the holders of the B Shares the Total Issue Price,

8 1 6 sixth the balance of such consideration after the payments made pursuant to 8 1 1, 8 1 2, 8 1 3, 8 1 4 and 8 1 5 up to a maximum of £3,000,000 shall be distributed amongst the holders of the Ordinary Shares, B Shares and the C Ordinary Shares pari passu as if the same constituted one class of share in proportion to the percentage of shares held by them in the Company, and

8 1 7 seventh, where the consideration is in excess of £3,000,000, any amount in excess of £3,000,000 shall be distributed to the holders of the Ordinary Shares, the B Shares and the C Ordinary Shares such that the holders of the C Ordinary Shares receive an amount equal to a multiple of 0.6 of the percentage of shares held by them in the Company and the holders of the Ordinary Shares and B Shares receive the balance remaining after the entitlement of the holders of C Ordinary Shares in proportion to the percentage of Ordinary Shares or B Shares held by them in the Company

8 2 In the event of an Exit where the Fund is not a selling shareholder then, notwithstanding anything to the contrary in the terms and conditions governing such an Exit the selling shareholders immediately prior to such Exit shall procure that the consideration (whenever received) shall be placed in a designated trustee account and shall be distributed in the following order of priority

8 2 1 first in paying to the holders of the C Ordinary Shares a sum equal to all unpaid Arrears of dividend thereon,

8 2 2 second in paying to the holders of the Preference Shares the Total Issue Price,

8 2 3 the balance of such consideration shall be distributed amongst the holders of the Equity Shares being sold pari passu as if the same constituted one class of share in proportion to the percentage held by them of the Equity Shares being sold

## **9. CONVERSION**

Any holders of C Ordinary Shares may at any time convert the whole of their C Ordinary Shares The C Ordinary Shares shall convert into a like number of Ordinary Shares The Preference Shares shall have no rights of conversion at any time

The following provisions of this Article shall apply to the conversion

- 9 1 A conversion shall be effected by notice in writing given to the Company signed by the holder of the relevant C Ordinary Shares The conversion shall take effect immediately upon the date of delivery of such notice to the Company (unless such notice states that conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect when such conditions have been fulfilled)
- 9 2 Forthwith after such a conversion takes effect the holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their holding of C Ordinary Shares The Company shall issue to such holders certificates for the Ordinary Shares resulting from any conversion
- 9 3 The Ordinary Shares resulting from such a conversion shall rank from the date of conversion pari passu in all respects with the other Ordinary Shares in the capital of the Company
- 9 4 The Cumulative Dividend shall cease to accrue with effect from the day following the effective date of conversion

**10. VOTING**

10 1 Save as set out in Articles 10 2 and 10 3 shares in the Company shall carry votes as follows

Ordinary shares	one vote per share
B Shares	no vote per share
C Ordinary Shares	one vote per share
Preference Shares	no vote per share

Votes on shares may be exercised (i) 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 (in which case each member holding shares with votes shall have one vote) and (ii) 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 one vote for each such share held)

10 2 If

10 2 1 at any time there is a material breach of the Investment Agreement (other than by the Fund) or such a breach is threatened or proposed,

10 2 2 at any time the Company goes into liquidation or receivership (or if such is threatened),

10 2 3 at any time a voluntary arrangement is proposed,

10 2 4 at any time the Company fails to pay any dividends due on the C Ordinary Shares (including any interest payable thereon) if it is legally able to do so,

then in relation to any general meeting held

10 2 5 at any time whilst any of the events specified in 10 2 2 or 10 2 3 above remains applicable the holders of C Ordinary Shares as a class shall be

entitled to such number of additional votes as shall be equivalent to 75 per cent of all votes capable of being exercised on a poll, and

10 2 6 at any time whilst there is a breach or threatened or proposed breach as specified in 10 2 1 above the holders of C Ordinary Shares as a class shall be entitled to such number of additional votes as shall be equivalent to 75 per cent of all votes capable of being exercised on a poll for the sole purpose of taking such steps as the holders of the C Ordinary Shares shall in their reasonable opinion consider necessary to enable the remedy of any such breach and once such breach has been remedied, the enhanced voting rights of the holders of C Ordinary Shares shall terminate forthwith If the breach is not capable of remedy the holders of C Ordinary Shares as a class shall be entitled to such number of additional votes as shall be equivalent to 75 per cent of all votes capable of being exercised on a poll until such breach has been satisfied by a settlement of damages in favour of the holders of C Ordinary Shares and on such settlement the enhanced voting rights of the holders of C Ordinary Shares shall terminate forthwith, and

10 2 7 at any time whilst there is a breach as specified in 10 2 4 above the holders of C Ordinary Shares as a class shall be entitled to such number of additional votes as shall be equivalent to 75 per cent of all votes capable of being exercised on a poll for the sole purpose of taking such steps as the holders of the C Ordinary Shares shall in their reasonable opinion consider necessary to pay such dividend and once such breach has been remedied, the enhanced voting rights of the holders of C Ordinary Shares shall terminate forthwith

For the purposes of Article 10 2 1, a breach shall not be regarded as a material breach of the Investment Agreement

(a) where a matter or action requiring the consent of the Fund has not been obtained by the Board, provided that the failure to obtain consent is as a result of an innocent, non-negligent breach and that the breach has been remedied within 21 days of the breach coming to the notice of the Board or any member of the Board and the breach does not result in any material monetary cost to the Company or prejudice the position of the Fund, or

(b) if it relates to the failure of the Company to observe any of the time limits set out in clause 5 of the Investment Agreement provided that i) any such breach is by less than Ten business days and ii) there are no more than two such breaches within any twelve month rolling period

10 3 No member shall be entitled to vote any Ordinary Shares for which a Deemed Transfer Notice has been given following a Compulsory Event unless (i) he is the transferee of such Ordinary Shares under the pre-emption rights procedure set out in Article 14 or (ii) such pre-emption rights procedure has been followed in full

## **11. PRE-EMPTION ON ISSUES**

11 1 Shares issued pursuant to

11 1 1 the grant of options to acquire such shares pursuant to and in accordance with the rules of the Scheme provided that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed 10% of the Ordinary Share Capital of the Company from time to time,

11 1 2 pursuant to a funding round which raises less than £20,000 in aggregate during any six month period and where the price per share is not less than £18 33, or

11 1 3 pursuant to clause 9 of the Investment Agreement,

shall not be offered first on a pre-emptive basis to members

11 2 Subject to Article 11 1, all shares in the capital of the Company to be allotted and issued, shall first be offered on a pre-emptive basis to all shareholders in the proportion that the aggregate nominal value of the Equity Shares (but excluding the B Shares) for the time being held respectively by each such holder bears to the aggregate nominal value of all issued Equity Shares (but excluding the B Shares) To the extent that all such shares are not taken up within 30 days following such offer, then any remaining shares shall be offered to the holders of the C Ordinary Shares and the holders of the Ordinary Shares pro rata to the aggregate nominal value of the C Ordinary Shares or Ordinary Shares held by them If following any such further offers shares have not been taken up within 30 days of offer then they may (subject to the remainder of these Articles) be allotted and issued to any person

11 3 Section 89 and 90 of the Act shall not apply to the Company

11 4 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for, or convert securities into, shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of adoption of these Articles and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to section 80) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.

## **12. TRANSFER OF SHARES**

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these Articles (subject to Regulation 24 of Table A) or the provisions of the Investment Agreement but shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant to ensure that it is a bona fide transfer on arm's length terms for the consideration stated. Failing such information or evidence being furnished to the satisfaction of the directors within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

## **13. PERMITTED AND MANDATORY TRANSFERS**

13 1 Subject to the provisions of Article 13 9 (mandatory transfer on cessation of employment), any member may, at any time during his lifetime, transfer all or any shares (other than shares acquired by the exercise of options granted pursuant to the rules of the Scheme) held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor provided that any transfer of shares to trustees to be held upon a Family Trust may only be made with the consent in writing of the holders of not less than 75% of the C Ordinary Shares (such consent not to be unreasonably withheld).

- 13 2 Where the consent of the holder of the C Ordinary Shares is requested to a transfer to a Family Trust such consent shall be given when the holder is reasonably satisfied
  - 13 2 1 with the terms of the trust instrument and in particular with the powers of the trustees,
  - 13 2 2 with the identity of the proposed trustees,
  - 13 2 3 that the proposed transfer will not result in 50% or more in the aggregate of the Company's Equity Shares being held by trustees of that and any other trusts, and
  - 13 2 4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company
- 13 3 Where any shares are held by trustees upon a Family Trust -
  - 13 3 1 on any change of trustees such shares may be transferred to the new trustees of that Family Trust,
  - 13 3 2 such shares may (subject to the approval of the holders of C Ordinary Shares pursuant to Articles 13 1 and 13 2) be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor
- 13 4 Notwithstanding any other provisions of these Articles a transfer of any shares in the Company held by the Fund or by its trustee, custodian or nominee at any time may be made to
  - 13 4 1 to any trustee, nominee or custodian of the Fund and vice versa, or
  - 13 4 2 to any entity, trust or partnership holding or its trustee, nominee or custodian, which is managed or advised by the same manager as the Fund
- 13 5 Notwithstanding any other provisions of these Articles a transfer or transfers of any shares (in any consecutive 12 month period not exceeding 10% of the issued share capital of the Company as at the date of the relevant transfer(s)) approved by the holders of not less than 75% of the C Ordinary Shares may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors

- 13 6 If and whenever any shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of the relevant shares (as hereinafter defined) by the holders thereof and such shares may not otherwise be transferred
- 13 7 If and whenever a Privileged Relation to whom shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, a Transfer Notice shall be deemed to have been given in respect of the relevant shares by the holders thereof and such shares may not otherwise be transferred
- 13 8 For the purposes of Articles 13 6 and 13 7 the expression 'relevant shares' means and includes the shares originally transferred to the trustees or Privileged Relation and any additional shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant shares or any of them
- 13 9 If an Employee Member (i) ceases to be a director or employee of the Company or any of its Subsidiaries, (ii) is adjudicated as bankrupt, or (iii) makes any voluntary arrangement or composition with its creditors (each a **"Compulsory Event"**) a Deemed Transfer Notice shall be deemed to have been immediately given in respect of
- 13 9 1 all shares held by the relevant Employee Member and registered in the name of that member as at the date of the Compulsory Event,
- 13 9 2 all shares held as at the date of the Compulsory Event by the Employee Member's Privileged Relations and/or Family Trusts and/or personal representatives (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the Board in this respect will be final)
- 13 10 On the happening of a Compulsory Event in circumstances where the relevant Employee Member is a Good Leaver, including where such person is classified as a Good Leaver pursuant to Article 13 12, or on the happening of a Compulsory Event pursuant to Article 13 9 (ii) and 13 9(iii) above the Board may with the consent of the

Non-Executive exercise their discretion to waive the provisions of Article 13 9 so that there shall be no Deemed Transfer Notice in respect of such Employee Member's shares

13 11 On the happening of a Compulsory Event in circumstances where the relevant Employee Member is not a Good Leaver and no Compulsory Event pursuant to Article 13 9(ii) or (iii) above has occurred, the Board may with the consent of the Non-Executive exercise their discretion to permit such Employee Member to be classified as a Good Leaver

13 12 Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is a Good Leaver or on the happening of a Compulsory Event pursuant to Article 13 9 (i) and 13 9(iii) above, the sale price of the Sale Shares shall be the higher of

13 12 1 fair value as agreed by the Board with the consent of the Non-Executive and the relevant Employee Member within 30 days of the happening of the relevant Compulsory Event, or

13 12 2 the price certified by the Independent Expert in accordance with Article 14 2

13 13 Where there is a Deemed Transfer Notice following a Compulsory Event in circumstances where the Employee Member is not a Good Leaver, and has not been classified as a Good Leaver pursuant to Article 13 11, the sale price of the Sale Shares shall be the lesser of the fair value of the Sale Shares (determined in accordance with Article 13 12 as if the Employee Member had been classified as a Good Leaver) or the Total Issue Price paid by the Employee Member

13 14 Nothing in Articles 13 9 to 13 13 shall alter the existing terms of employment of an Employee Member in place at the date of adoption of these Articles

13 15 If a corporate member 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 Investment Date (whichever shall be the later) it shall (unless the holders of 90% of the Equity Shares agree in writing otherwise) be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name,

provided that this sub-article shall have no application to the Fund or its Permitted Transferee

#### 14. PRE-EMPTION ON SALE OR TRANSFER

- 14 1 Save as otherwise provided in these Articles, every member who desires to transfer any shares (and has such consents or is required by these Articles to make any such transfers) shall give to the Company notice in writing of such desire and of the identity of the person (if known) to whom the member wishes to transfer such shares and the price at which such shares are proposed to be transferred (a **“Transfer Notice”**) Where the Transfer Notice is deemed to have been given it is referred to as a Deemed Transfer Notice The transferor under a Transfer Notice and under a Deemed Transfer Notice is hereinafter called the **“Vendor”** Transfer Notices and Deemed Transfer Notices shall constitute the Company as the Vendor's agent for the sale of the shares specified therein (the **“Sale Shares”**) in one or more lots at the discretion of the Board at the Sale Price
- 14 2 Save as provided in Articles 13 12 and 13 13, the sale price of the Sale Shares shall be the price referred to in the Transfer Notice except that if no price is specified, the Sale Price will instead be the price which the Independent Expert shall certify (at the request of the Company) to be in his opinion a fair value of the Sale Shares In arriving at his opinion the Independent Expert will value the Sale Shares as at the date the Transfer Notice is given or is deemed to have been given on a going concern basis as between a willing seller and a willing buyer on the assumption that the Sale Shares are capable of transfer without restriction and ignoring any reduction in value that may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest The decision of the Independent Expert as to the Sale Price shall be final and binding in the absence of manifest error
- 14 3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a **“Total Transfer Condition”**) that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold Any such provision shall be binding on the Company
- 14 4 If the Independent Expert is asked to certify the fair value of the Sale Shares 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 The Vendor shall be entitled to

cancel the Company's authority to sell the Sale Shares (unless the shares are to be sold pursuant to a Deemed Transfer Notice) by notice in writing given to the Company within 7 days of the service upon him of the copy certificate. The cost of obtaining the certificate shall be paid by the Company unless the Vendor cancels the Company's authority to sell the Sale Shares in which case the Vendor shall bear the cost.

14.5 Once the Sale Price has been determined then unless the Vendor has given a valid notice of cancellation the Sale Shares shall be offered for sale as set out below.

14.6 As soon as the Sale Shares become available they shall be offered for sale by the Company giving notice in writing to that effect to all holders of Equity Shares (other than the Vendor). The notice shall specify -

14.6.1 the number of Sale Shares on offer and the Sale Price,

14.6.2 whether the Sale Shares are subject to a Total Transfer Condition,

14.6.3 the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice).

The notice shall set out the method of allocation of the Sale Shares and shall invite each member to apply in writing to the Company for as many of the Sale Shares (if any) as that member would like to purchase. The offer will also invite members to indicate in their applications for Sale Shares, whether they would be willing to buy Shares in excess of their Proportionate Entitlement should any such Shares be available and, if so, how many ("**Extra Shares**").

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

14.8 If the total number of Sale Shares applied for is greater than the available number of Sale Shares, each offeree will be allocated his Proportionate Entitlement, or, if less, the number of Sale Shares which the member applied for.

14.9 Applications for Extra Shares will be allocated in accordance with such applications or, in the event of competition with any other shareholder, among those applying for

Extra Shares in such proportions as equal (as nearly as possible) to the proportions of all the Shares held by such offerees

- 14 10 Allocations of Sale Shares made by the Company pursuant to this Article 14 will constitute the acceptance by the persons to whom they are allocated of the offer to purchase those Sale Shares on the terms offered to them, provided that no person will be obliged to take more than the maximum number of Sale Shares which he has indicated to the Company he is willing to purchase
- 14 11 The Company shall notify the Vendor and each member who applied for Sale Shares of the number of Sale 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 Sale Shares shall be completed
- 14 12 If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this Article the Vendor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor defaults in transferring Sale Shares the Company shall, if so required by the person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise a director to execute the transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the register of members as the holder of such of the Sale Shares as shall have been transferred to them
- 14 13 If the Company does not find purchasers for all of the Sale Shares under the terms of this Article the Vendor shall at any time within six months after the date of the offer by the Company to its members be free to sell and transfer such of the Sale Shares as have not been so sold to any person at a price which is no less than the Sale Price. However if the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the Sale Shares and not part only
- 14 14 The Board may refuse to register a transfer (other than a Permitted Transfer or a transfer of shares pursuant to and in accordance with Article 15 1) to a third party if they are not satisfied that it represents a bona fide transfer for the consideration stated

- 14 15 Any purported transfer of shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect

## 15. TRANSFER OF CONTROL

- 15 1 Subject always to Article 14, 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 such sale or transfer and registration thereof either (i) a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert or, (ii) where any person or group of persons acting in concert already own a Controlling Interest, such Controlling Interest is increased by a further 1 per cent, unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has or have offered to purchase all the issued C Ordinary Shares in the Company at the Specified Price (calculated as set out below)
- 15 2 If, pursuant to the offer made by the proposed transferee, any part of the Specified Price is to be paid except by cash then the holders of the C Ordinary Shares may, at their option, require the proposed transferee to pay the Specified Price wholly in cash
- 15 3 In this Article 15 and subject to Article 15 4, the 'Specified Price' means
- 15 3 1 the consideration (in cash or otherwise) per share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the shares of the relevant class being acquired, plus
- 15 3 2 the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other shares of the relevant class which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable, plus all Arrears on such shares calculated up to the date of the sale or transfer,
- 15 4 In the event of disagreement or if the holders of not less than 75% of the C Ordinary Shares reasonably considers that the proposed transfer is not bona fide arms length and representing a reasonable market value for the shares the calculation of the Specified Price shall be referred to an Independent Expert who shall determine the fair value of the shares in accordance with the provisions of Article 14 2 and whose decision shall be final and binding

- 15 5 All other regulations of the Company relating to the transfer of shares and the rights to registration of transfers shall be read subject to the provisions of Articles 1 1 and 15 3

## 16. DRAG ALONG

- 16 1 If at any time the holders of in excess of fifty per cent of the Equity Shares (conditional upon the consent of the holders of the majority of the C Ordinary Shares in issue from time to time provided that such consent shall only be required if the number of C Ordinary Shares in issue at the relevant time is equal to or greater than 4 per cent of the entire issued Equity Share Capital of the Company) in issue for the time being (the **"Selling Shareholders"**) wish to transfer their entire holdings of Equity Shares to a bona fide third party prospective purchaser unconnected with any member of the Company they shall have the option (the **"Drag Along Option"**) to require all the other holders of Equity Shares and all other persons who become holders of Equity Shares within three months of completion of a transfer of Equity Shares under this clause 16 (other than the third party purchaser to whom Equity Shares are transferred) (the **"Called Shareholders"**) to transfer all their Equity Shares to the third party purchaser or as the third party purchaser shall direct in accordance with this Article 16
- 16 2 Subject as aforesaid the Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (a **"Drag Along Notice"**) to all the Called Shareholders A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the **"Called Shares"**) pursuant to this Article 16, the price at which the Called Shares are to be transferred calculated in accordance with Article 16 4 and the proposed date of transfer Service of the Drag Along Notice shall suspend the operation of the transfer provisions in Articles 12 and 13 in relation to the proposed transfers
- 16 3 A Drag Along Notice shall be irrevocable
- 16 4 The Called Shareholders shall be obliged to sell the Called Shares at a price per Equity Share payable in cash (the **"Equity Share Price"**) which is equal to the consideration (in cash or otherwise) per Equity Share offered or paid or payable by the proposed transferee or transferees or his or their nominees to the Selling Shareholders for their Equity Shares plus the relevant proportion of any other

consideration (in cash or otherwise) received or receivable by the Selling Shareholders for their Equity Shares which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Equity Shares. In the event of a disagreement as to the equivalent value of any other consideration, the matter shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by the Selling Shareholders and the Called Shareholders (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 on the application of either of the Selling Shareholders or the Called Shareholders) whose decision shall be final and binding in the absence of manifest error.

- 16 5 Completion of the sale of the Called Shares shall take place at the Company's registered office on the same date as the date proposed for completion of the sale of the Selling Shareholders' Equity Shares unless -

16 5 1 all of the Called Shareholders and Selling Shareholders agree otherwise, or

16 5 2 that date is less than 21 days after receipt of the Drag Along Notice by the Called Shareholders, where it shall be deferred until the 21<sup>st</sup> day after the date of receipt of the Drag Along Notice, or

16 5 3 the consideration is to be determined under Article 16 4 where the date shall be deferred until the 21<sup>st</sup> day after the consideration is agreed or determined

- 16 6 If any Called Shareholder or any other Shareholder makes default in complying with his obligations under this Article 16 (a **"Defaulting Shareholder"**) the chairman of the Board for the time being, or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney of the Defaulting Shareholder with full power to execute complete and deliver in the name and on behalf of the Defaulting Shareholder a transfer of the relevant Equity Shares to the third party (or its nominee) and any Director may receive and give a good discharge for the purchase money on behalf of the Defaulting Shareholder and (subject to the transfer being duly stamped) enter the name of the third party (or its nominee) in the register of members as the holder or holders by transfer of the Equity Shares so purchased by it. The Board shall forthwith pay the purchase money into a separate bank account in

the Company's name and shall hold such money on trust (but without interest) for the Defaulting Shareholder until he shall deliver up his certificate or certificates for the relevant Shares (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate) to the Company when he shall thereupon be paid the purchase money

## **17. NOTICES OF GENERAL MEETINGS**

- 17 1 The Company can deliver a notice or other document to a member by
  - 17 1 1 delivering it by hand to the address recorded for the member on the register,
  - 17 1 2 sending it by post or other delivery service (with postage or delivery paid) to the address recorded for the member on the register,
  - 17 1 3 fax (except for share certificates) to a fax number notified by the member in writing,
  - 17 1 4 electronic mail (except for share certificates) to an address notified by the member in writing, or
  - 17 1 5 a website (except for share certificates) the address of which shall be notified to the shareholder in writing
- 17 2 This article does not affect any provision in any relevant legislation or the articles requiring notices or documents to be delivered in a particular way
- 17 3 If a notice or document is delivered by hand, it is treated as being delivered at the time it is handed to or left for the member
- 17 4 If a notice or document is sent by post or other delivery service, it is treated as being delivered
  - 17 4 1 24 hours after it was posted, if first class post was used, or
  - 17 4 2 72 hours if it was posted or given to delivery agents, if first class was not used
- 17 5 If a notice or document (other than a share certificate) is sent by fax or by electronic mail, it is treated as being delivered at the time it was sent

17 6 If a notice or document (other than a share certificate) is sent by a website, it is treated as being delivered when the material was first made available on the website or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website

17 7 Every notice convening a general meeting shall comply with the provisions of section 325 of the Act as to giving information to members in regard to their right to appoint proxies, and notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company

## **18. QUORUM**

18 1 A quorum for the purposes of a general meeting must include a duly appointed representative of the Fund unless the Fund otherwise agrees in writing. If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine. If at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, the quorum shall be such members as shall be present at the adjourned general meeting

18 2 Regulation 41 of Table A shall not apply to the Company

## **19. NUMBER OF DIRECTORS**

19 1 Regulation 64 of Table A shall not apply to the Company

19 2 Subject to the rights for the Fund under Article 21 the maximum number and the minimum number of Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number shall be two

## **20. APPOINTMENT OF DIRECTORS**

The directors (including the Non-Executive as defined below) may appoint a person who is willing to act as a director, either to fill a vacancy or as an additional director. In addition, the holders of shares representing more than half of the shares which carry the right to attend and

vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director

## **21. INVESTOR APPOINTEE**

21 1 Subject to the terms of the Investment Agreement but notwithstanding any other provisions of these Articles, the Manager (on behalf of the holders of a majority of the C Ordinary Shares for the time being in issue) shall be entitled to appoint one person as a director of the Company (the “**Non-Executive**”) and to remove from office any person so appointed and to appoint another person in his place. The remuneration and reasonable expenses to be paid to the Non-Executive shall be payable by the Company and shall be such sum as may be agreed between him and the Company. Upon request by the Manager the Company shall also procure (so far as it is able) that a Manager appointee be appointed a director to any Subsidiary of the Company. In addition and without prejudice to the foregoing the Manager shall also be entitled from time to time to nominate a person (not being a director of the Company) to attend all meetings of the directors as an observer and any person so appointed (an “**Investor Observer**”) shall be given (at the same time as the directors) notice of all meetings of the directors and all agendas, minutes and other papers relating to such meetings. An Investor Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that an Investor Observer shall not be entitled in any circumstances to vote. The Manager may remove an Investor Observer appointed by it and appoint another person in his place.

21 2 In the event that the holders of C Ordinary Shares are entitled to enhanced voting rights at a general meeting of the Company in accordance with Article 11 2, the Non-Executive shall be entitled to such number of votes in addition to his own as shall constitute a majority on the Board.

## **22. MEETINGS OF DIRECTORS**

22 1 The Company shall hold not less than ten meetings of the directors each calendar year and will ensure that all material business decisions of the Company are taken in at such meetings.

22 2 The quorum for meetings of directors shall be two, one of whom must be the Non-Executive (except where a Non-Executive has not been appointed by the Manager).

If a quorum is not present within half an hour from the time appointed for the start of a meeting of directors the meeting shall be adjourned to the same day in the next week at the same time and place, or, with the consent of the Non-Executive, to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting of directors a quorum is not present within half an hour from the time appointed for its start, the quorum shall be such directors as shall be present at the adjourned meeting.

- 22.3 Notice of every meeting of the directors shall be given to each director at any address or e-mail address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may, be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.

## **23. DIRECTORS' CONFLICTS OF INTEREST**

- 23.1 Subject to the provisions of the Act and provided that he has disclosed to the other directors the nature and extent of any material interest of his, a director -
- 23.1.1 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,
- 23.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,
- 23.1.3 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,
- 23.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body

corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit, and

23 1 5 shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this Article

23 2 For the purposes of this Article -

23 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 any such transaction of the nature and extent so specified,

23 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

23 2 3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

## **24. GRATUITIES AND PENSIONS**

24 1 The directors may exercise the powers of the Company conferred by the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

24 2 Regulation 87 of Table A shall not apply to the Company

## **25. DIRECTORS' BORROWING POWERS**

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 80 of the Act, to grant any mortgage, charge

of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party

**26. ALTERNATE DIRECTORS**

26 1 An alternate director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to the Company from time to time direct, and the first sentence of Regulation 66 of Table A shall be modified accordingly

26 2 A director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present

**27. LIEN**

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders

**28. PARTLY PAID SHARES**

28 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 by reason of such non-payment "

28 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 any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price

**29. SEAL**

Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and-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

**30. INDEMNITY**

30 1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the proper execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company

30 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 or in relation to its affairs

**31. DATA PROTECTION**

31 1 Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors, and the Fund (which for this purpose shall be deemed to include the Manager) (each a “**Recipient**”) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves A Recipient may process such personal data either electronically or manually The personal data which may be processed for such purposes under this Article shall include any information (but excepting all “sensitive data” as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) 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 Subject to any confidentiality undertakings given to them by a Recipient,

each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so