

Company number 08053350

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

GENERAL ELECTRICITY HOLDINGS LTD (**Company**)

13th September 2012

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution (**Special Resolution**)

SPECIAL RESOLUTION

THAT the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Special Resolution

The undersigned, a person entitled to vote on the Special Resolution on 13th September 2012, hereby irrevocably agrees to the Special Resolution.

Signed by Yoav Zingher

Date


2nd... October 2012

NOTES

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

- **By Hand.** delivering the signed copy to Tina Rana, Corren Troen, 35 Catherine Place, London SW1E 6DY

SATURDAY



A09 *A1IZV1IZ* #216
06/10/2012
COMPANIES HOUSE

- **Post** returning the signed copy by post to Tina Rana, Corren Troen, 35 Catherine Place, London, SW1E 6DY
- **Fax** faxing the signed copy to 020 7592 8901 marked "For the attention of Tina Rana"
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to tr@correntroen.com Please enter "Written resolution General Electricity Holdings Ltd" in the e-mail subject box

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

2 Once you have indicated your agreement to the Special Resolution, you may not revoke your agreement

3 Unless, by 5th October 2012, sufficient agreement has been received for the Special Resolution to pass, it will lapse If you agree to the Special Resolution, please ensure that your agreement reaches us before or during this date

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

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

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
GENERAL ELECTRICITY HOLDINGS LIMITED
COMPANY NUMBER 08053350
(Adopted by special resolution passed on 2nd October 2012)

INTRODUCTION

1. INTERPRETATION

1.1 In these Articles, unless the context otherwise requires

Act: means the Companies Act 2006,

appointor: has the meaning given in article 22(1),

Articles: means the company's articles of association for the time being in force,

business day: means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

call: has the meaning given in article 31.1,

call notice: has the meaning given in article 31.1,

company's lien. has the meaning given in article 29.1,

Conflict: has the meaning given in article 17.1,

eligible director. means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter in question),

- (a) **Exit:** For the purposes of this definition, **acting in concert** shall be construed in accordance with the City Code on Takeovers and Mergers, and **controlling interest** shall mean an interest in shares giving the holder of those shares control of the Company within the meaning of section 840, ICTA a Listing, or
- (b) a sale (or the grant of a right to acquire or dispose of) any of the shares in the capital of the Company (in one transaction or a series of transactions) which will result in the buyer (not being an existing shareholder) of those shares (or grantee of that right) and persons acting in concert with him (not being any existing shareholders) together acquiring a controlling interest in the Company, except where the shareholders and the proportion of Shares held by each of them following completion of the sale are the same as the shareholders and their shareholdings in the Company immediately before the sale, or
- (c) a disposal by the Company of all, or a substantial part of, its business and assets

Investor. a holder for the time being of Preference Shares,

Investor Director: has the meaning given in article 21 1,

lien enforcement notice: has the meaning given in article 30 2, and

Listing: the successful application and admission of all or any of the shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended))

Model Articles means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*) as amended prior to the date of adoption of these Articles

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions given particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise

requires, words and expressions given particular meanings in the Act have the same meanings in these Articles

- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of
 - (a) any subordinate legislation from time to time made under it, and
 - (b) any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts
- 1 6 Any phrase introduced by the terms **"including"**, **"include"**, **"in particular"** or any similar expression shall be construed as illustrative and not limit the sense of the words preceding those terms
- 1 7 The Model Articles apply to the Company, except in so far as they are modified or excluded by these Articles To the extent of any conflict between the Model Articles and these Articles, the terms of these Articles shall prevail
- 1 8 Articles 8, 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 21(1), 24(2)(c), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 9 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur"
- 1 10 Article 26(1) of the Model Articles shall be amended by the insertion of the words "and, unless the share is fully paid, the transferee" after the word "transferor"
- 1 11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 9," after the word "But"
- 1 12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

- 1 13 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"
- 1 14 Article 36(4) of the Model Articles shall be amended by the insertion of the words "(a) in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or (b)" after the word "applied"

SHARE CAPITAL AND SHARE RIGHTS

2. SHARE CAPITAL AND FURTHER ISSUE OF SHARES

- 2 1 The share capital of the Company at the date of the adoption of these Articles is made up of the following classes of shares
- (a) ordinary shares of £1 00 each (the "**Ordinary Shares**"), and
 - (b) preference shares of £1 00 each (the "**Preference Shares**", and together with the Ordinary Shares, the "**Shares**")
- 2 2 The "Ordinary Shares" and the "Preference Shares" shall each constitute different classes of shares for the purposes of the Act and shall have the rights set out in Articles 3-7
- 2 3 The "**Preferential Share Issue Price**" shall be
- (i) £1 2404 per Preference Share for each of the Preference Shares 1 to 330,000,
 - (ii) £1 1550 per Preference Share for each of the Preference Shares 330,001 to 660,000,
 - (iii) £1 0874 per Preference Share for each of the Preference Shares 660,0001 to 1,000,000, and
 - (iv) £1 00 per Preference Share for any other Preference Shares issued after the date of adoption of these Articles
- 2 4 Subject to the remaining provisions of this Article 2 4 and to Articles 2 5-2 7, the directors are generally and unconditionally authorised, for the purposes of section 551 of the 2006 Act and generally, to exercise any power of the Company to
- (a) Offer or allot,
 - (b) Grant rights to subscribe for or to convert any security into,
 - (c) Otherwise deal in, or dispose of,

Any Ordinary Shares of £1 00 each or any Preference Shares of £1 00 each in the company to any person, at any time and subject to any terms and conditions as the directors think proper

2 5 The authority referred to in Article 2 4

- (a) Shall be limited to a maximum nominal amount of £1,200,000 in respect of Ordinary Shares and £1,000,000 in respect of Preference Shares,
- (b) Shall only apply insofar as the company has not renewed, waived or revoked by it by ordinary resolution, and
- (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may take an offer or agreement which would, or might, require Ordinary Shares or Preference Shares to be allotted after the expiry of such authority (and the directors may allot Ordinary Shares or Preference Shares in pursuance of any offer or agreement as of an offer or agreement as if such authority had not expired)

2 6 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the company

2 7 Subject to section 551 of the Act articles 2 4 and 2 5, any equity securities shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to any persons at those and generally on the terms and conditions they think proper

3. DIVIDEND RIGHTS

3 1 The rights as regards income attaching to each class of shares shall be as set out in this article

3 2 Subject to Article 3 3, all dividends and distributions shall only be payable to holders of Ordinary Shares.

3 3 The holders of Ordinary Shares, to the extent there are Preference Shares in issue, may only receive dividends during the first three years from the date of adoption of these articles with the consent of the holders of Preference Shares

3 4 The holders of Preference Shares shall have no right to receive dividends or any other distribution from any income or profits of the Company

4. RETURN OF CAPITAL RIGHTS

- 4.1 The rights as regards return of capital attaching to each class of shares shall be as set out in this article
- 4.2 On a return of capital on liquidation, winding up, dissolution or otherwise (except a redemption or purchase by the Company of any shares) the surplus assets of the Company remaining after the payment of its liabilities shall be applied in the following order of priority
- (a) first, in paying to each holder of Preference Shares in respect of each Preference Share of which it is the holder, an amount equal to
 - (i) 100% of the Preferential Share Price, and
 - (ii) interest on the Preferential Share Issue Price in an amount equal to 10% per annum, compounded annually, accruing from the date such Preference Share is issued by the Company to the date of payment of this amount(together the "**Preferential Return**"), and
 - (b) then, the balance of such assets (if any) shall be distributed amongst the holders of the Ordinary Shares only (according to the amount paid up or credited as paid up on each such Ordinary Share)

5. VOTING RIGHTS

- 5.1 The voting rights attached to each class of Shares shall be as set out in this article
- (a) on a show of hands, every Shareholder holding one or more Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote, and
 - (b) on a poll, every Shareholder holding one or more Ordinary Shares, who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy, shall have one vote for each Ordinary Share of which he is the holder
- 5.2 The Preference Shares will entitle the holders thereof to receive notice of all general meetings but will not entitle the holders to attend or vote at any general meeting

6. REDEMPTION RIGHTS

- 6.1 The Preference Shares shall, subject to the Act, be redeemed as follows

- (a) the Company may redeem any of the Preference Shares at any time after 3 years from their date of issue for an amount equal to the Preferential Return,
- (b) at the request of the holders of the Preferred Shares any time after the date on which Founders hold less than 360,000 Ordinary Shares in the Company, or
- (c) in any event the Company shall redeem the Preference Shares no later than 5 years from their date of issue for an amount equal to the Preferential Return

Where Preference Shares are to be redeemed in accordance with articles 6 1(a) or 6 1(b), the Company (in the case of the article 6 1(a)) or the holder of the Preference Shares (in the case of article 6 1(b)) shall give the other prior notice in writing of the intended redemption (Redemption Notice) The Redemption Notice shall specify the particular Preference Shares to be redeemed and the date fixed for redemption and shall be given not less than 20 business days prior to the date fixed for redemption The price per Preference Shares payable by the Company for the redeemed Preference Shares shall be equal to the Preferential Return on the date of such redemption

7. CONVERSION RIGHTS

- 7 1 The Preference Shares shall be convertible at the option of the Preference Share holder, in whole or in part, at any time within 21 business days of a general round of funding raised through the issue of shares subscribed for by a third party (for avoidance of doubt a third party shall not include any existing shareholder or employee of the Company) (**Third Party Funding**) into such number of Ordinary Shares equal to the value of the Preference Shares being converted divided by the price per Ordinary Share sold in such Third Party Funding In the event that the Company issues a class of shares other than Ordinary Shares in such Third Party Funding, then the Preference Shares shall be convertible into the same class of shares issued in such Third Party Funding at a price per share equal to the price such shares are sold in such Third Party Funding
- 7 2 For the purposes of article 7 1 the value of the Preference Shares shall be determined in accordance with their Preferential Return at the time of being converted

SHARE CAPITAL AND DISTRIBUTIONS

8. TRANSFER OF SHARES

- 8 1 Subject to article 8 2, no member, or person entitled to Shares in the Company by transmission, shall be entitled to transfer his Shares without first offering them for transfer to all Shareholders
- 8 2 Notwithstanding article 8 1, the transfer restrictions set forth in this article 8 shall not apply to (i) a proposed transfer by one member to another member of the Company where such transfer has been consented to by all Shareholders, (ii) any pledge of Shares made pursuant to a bona fide loan transaction with a financial institution that creates a mere security interest, (iii) any transfer to the ancestors, descendants or spouse or to trusts for the benefits of such persons, (iv) any transfer to an affiliate of such proposed transferor, or (v) any transfer to an employee pursuant to an employees' share scheme
- 8 3 The offer may be in respect of all or part only of the Shares held by the proposing transferor and shall be made by the proposing transferor by notice in writing to the Company ("**Transfer Notice**") The Transfer Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the identity of the proposed transferee ("**Proposed Transferee**"), the purchase price and other terms and conditions of payment ("**Specified Price**"), the proposed date of such transfer ("**Proposed Transfer Date**") and the number of Shares proposed to be transferred to the Proposed Transferee ("**Offered Shares**") The Transfer Notice shall constitute the directors as the agent of the proposing transferor for the sale of the Offered Shares to other Shareholders whether or not of the same class at the Specified Price The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this Article, none shall be sold and that provision shall have effect The Transfer Notice may not be revoked unless the directors otherwise agree
- 8 4 On receipt by the Company of the Transfer Notice the directors shall as soon as practicable give notice to all the Shareholders (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price The notice shall invite each of the Shareholders to state in writing to the Company within 10 business days whether he is willing to purchase any of the Offered Shares, and if so the maximum number such Shareholder is willing to purchase ("**Maximum**") Upon receipt of any such notice from a Shareholder, the directors shall at the same time give a copy of the notice to the proposing transferor
- 8 5 On the expiration of the ten business day period the directors shall allocate the Offered Shares to or amongst those who expressed a willingness to

purchase Offered Shares ("**Purchasers**") and such allocation shall be made so far as practicable as follows

- (a) each allocation between the Shareholders shall, in the case of competition, be made pro rata to the nominal amount of Shares, of the same class as the Offered Shares, held by him but shall not exceed the Maximum which such Shareholder shall have expressed a willingness to purchase,
- (b) if the Transfer Notice shall state that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated

8 6 On the allocation being made, the directors shall give details of the allocation in writing to the proposing transferor and each Purchaser and, on the seventh day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price for, and to accept a transfer of, the Offered Shares allocated to them respectively and the proposing transferor shall be bound, on payment of the purchaser price, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made

8 7 If the proposing transferor after becoming bound to transfer Offered Shares fails to do so, the Company may receive the purchase price and the Directors may appoint a person to execute instruments of transfer of the Offered Shares in favour of the Purchasers to whom the allocation has been made and shall cause the names of those Purchasers to be entered in the register of members of the Company as the holders of the Offered Shares and shall hold the purchase price in trust for the proposing transferor. The receipt of the Company shall be a good discharge to those Purchasers and, after their names have been entered in the Register of Members of the Company under this provision, the validity of the transactions shall not be questioned by any person

8 8 If, following the expiry of the 10 business day period referred to in article 8 5, any of the Offered Shares have not been allocated under that article, the proposing transferor may (subject to the provisions of article 9) at any time within a period of 90 days after the expiry of the ten business day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Specified Price) provided that

- (a) if the Transfer Notice contained a provision that, unless the Offered Shares are sold under this article, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless in aggregate all the Offered Shares are so transferred, and

- (b) the directors may require to be satisfied that those Offered Shares are being transferred under a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance to the Purchaser and, if not so satisfied, may refuse to register the instrument of transfer (without prejudice, however, to the directors' absolute discretion to refuse to approve or register any transfer of shares)

9. TAG-ALONG RIGHTS

- 9 1 If at any time one or more Founders ("**Founder Seller**") propose to sell, in one or a series of related transactions, any of the Ordinary Shares (Offered Shares) (other than pursuant to article 10 or otherwise pursuant to the circumstances set out in article 8 2), then after compliance with the provisions of article 8, the Proposed Sellers may only sell such shares if they comply with the provisions of this article
- 9 2 To the extent that all shares of the Offered Shares to be sold by a Founder Seller described in the Transfer Notice are not purchased by a Shareholder pursuant to the terms of article 8, each Shareholder shall have the right, exercisable upon written notice to the Founder Seller following the date that is fifteen (15) days after the Transfer Notice, and preceding the date that is thirty (30) days following the date of the Transfer Notice, to participate in such sale of Offered Shares on the same terms and conditions. Such notice shall indicate the number of Ordinary Shares such Shareholder wishes to sell under his or her right to participate. To the extent one or more of the Shareholders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Offered Shares that the Founder may sell in the transaction shall be correspondingly reduced
- 9 3 Each Shareholder may sell all or any part of that number of shares pursuant to article 9 2 equal to the product obtained by multiplying (i) the aggregate number of Offered Shares not sold pursuant to article 8 by (ii) a fraction, of which the numerator shall be the number of Ordinary Shares held by such Shareholder, and the denominator shall be the number Ordinary Shares held by all Shareholders as of the date of the Notice
- 9 4 Each Shareholder who elects to participate in the sale pursuant to this article 9 (each a "**Participant**") shall effect its participation in the sale by promptly delivering to the Founder Seller for transfer to the prospective purchaser one or more stock transfer instruments, properly executed for transfer, which represent the number of shares of Ordinary Shares which such Participant elects to sell. The stock transfer instruments that any Participant delivers to the Founder Seller shall be transferred to the prospective purchaser in consummation of the sale of the Ordinary Shares pursuant to the terms and

conditions specified in the Notice, and the Founder Seller shall concurrently therewith remit to such Participant that portion of the sale proceeds to which such Participant is entitled by reason of its participation in such sale

- 9 5 To the extent that any Proposed Transferee prohibits such assignment or otherwise refuses to purchase shares or other securities from a Participant exercising its rights hereunder, the Founder Seller shall not sell to such Proposed Transferee any Ordinary Shares unless and until, simultaneously with such sale, he purchases such shares or other securities from such Participant on the same terms and conditions specified in the Notice
- 9 6 The exercise or non-exercise of the rights of the Shareholders hereunder to participate in one or more sales of Ordinary Shares made by the Founder Seller shall not adversely affect their rights to participate in subsequent sales of Ordinary Shares pursuant to this article 9
- 9 7 To the extent the Shareholders have not exercised their rights to purchase the Offered Shares within the time periods specified in article 8, and the Shareholders have not exercised their rights to participate in the sale of the Offered Shares within the time period specified in article 9, the Founder Seller may, not later than sixty (60) days following delivery to the Company of the Transfer Notice, enter into an agreement providing for the completion of the transfer of the Offered Shares covered by the Transfer Notice within thirty (30) days of such agreement on terms and conditions not more materially favorable to the transferor than those described in the Transfer Notice Any proposed transfer on terms and conditions materially more favorable than those described in the Transfer Notice, as well as any subsequent proposed transfer of any of the Ordinary Shares held by the Founder, shall again be subject to the transfer restrictions and tag-along rights of the Shareholders and shall require compliance by the Founder with the procedures described in articles 8 and 9
- 9 8 If any other holder of Ordinary Shares in the Company is not given the rights afforded him by the provision of this article, the Founder Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect
10. **DRAG-ALONG RIGHTS**
- 10 1 In this article a “**Qualifying Offer**” shall mean a bona fide arms length offer in writing by or on behalf of any person (“**Offeror**”) to the holders of all of the Ordinary Shares in the Company to acquire all of the Ordinary Shares

- 10 2 If the holders of not less than 85% of the Ordinary Shares ("**Accepting Shareholders**") approve a Qualifying Offer, then the provisions of this article shall apply
- 10 3 The Accepting Shareholders shall give written notice (the "**Drag Along Notice**") to the remaining holders of the Ordinary Shares ("**Other Shareholders**") of approval of the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to execute and deliver all related documentation and take such other action in support of the Qualifying Offer as shall be reasonably requested by the Accepting Shareholders, including, without limitation, documentation and actions effecting the sale of the Ordinary Shares
- 10 4 If any Other Shareholder shall not, within 5 business days of being required to do so, execute and deliver such documents and transfers as may be required pursuant to the terms of this article 10, then such Shareholder does hereby appoint any Accepting Shareholder as the true and lawful attorney in fact for such Shareholder with power to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute the necessary documentation on the Other Shareholder's behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Ordinary Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person
- 10 5 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the company ("**New Member**"), such Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such Ordinary Shares shall take place forthwith upon the notice being deemed served on the New Member.

11. DEDUCTIONS FROM DISTRIBUTIONS IN RESPECT OF SUMS OWED TO THE COMPANY

- 11 1 If
- (a) a share is subject to the company's lien, and
 - (b) the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money

which is payable in respect of the share any sum of money which is payable to the company in respect of the share to the extent that they are entitled to require payment under a lien enforcement notice

11 2 Money so deducted must be used to pay any of the sums payable in respect of that share

11 3 The company must notify the distribution recipient in writing of

- (a) the fact and amount of any such deduction,
- (b) any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction, and
- (c) how the money deducted has been applied

SHARE RIGHTS

DIRECTORS

12. UNANIMOUS DECISIONS

12 1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

12 2 That decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing

12 3 A decision may not be taken under this article if the eligible directors would not have formed a quorum at a meeting of directors

13. QUORUM FOR DIRECTORS' MEETINGS

13 1 Subject to article 13 2, the quorum for the transaction of business at a meeting of directors is any two eligible directors provided that in the event of there being a sole director he or any alternate director appointed by him shall alone constitute a quorum

13 2 For the purposes of any meeting (or part of a meeting) held under article 17 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for that meeting (or part of a meeting) shall be one eligible director

13 3 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision

- (a) to appoint further directors, or
- (b) to call a general meeting for the shareholders to appoint further directors

14. CASTING VOTE

14 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote

14 2 Article 14 1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting)

15 MATTERS REQUIRING INVESTOR DIRECTOR CONSENT

15 1 Without the prior written consent of the Investor Director, the Company shall not take any of the following actions

- (a) create, allot, issue (other than any issue pursuant to the Share Option Plan) (or enter into any negotiations or reach any agreement (legally or otherwise) to create, allot or issue) any shares or securities, or grant (other than pursuant to the Share Option Plan) any option, warrant or other right to subscribe or convert any securities into shares, or require the allotment or issue of any such shares or securities whether conditional or otherwise,
- (b) increase, repay, subdivide, consolidate, capitalise, redenominate or otherwise vary the share capital of the Company (other than pursuant to the Share Option Plan),
- (c) redeem, purchase or otherwise acquire any interest in any issued share capital of the Company other than from a former employee or in accordance with the Articles,
- (d) vary the rights attaching to any class of Shares,
- (e) recommend, declare or pay any dividend, or make any distribution of a capital nature other than as required by the Articles,
- (f) approve any merger, liquidation, dissolution or acquisition of the Company, and
- (g) appoint any new directors

16 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in compliance with the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- (b) shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of that contract or proposed contract in which he is interested,
- (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of that contract or proposed contract in which he is interested,
- (d) may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
- (f) shall not, unless he agrees otherwise, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from that contract, transaction or arrangement or from that office or employment or from any interest in that body corporate and that contract, transaction or arrangement shall not be liable to be avoided on the grounds of that interest or benefit nor shall the receipt of that remuneration or other benefit constitute a breach of his duty under section 176 of the Act

17. DIRECTORS' CONFLICTS OF INTEREST

17 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

17 2 Any authorisation under this article 17 will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that

any other matter may be proposed to the directors under the provisions of these Articles or in any other manner as the directors may determine,

- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

17 3 Any authorisation of a Conflict under this article 18 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors vote in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director any other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to those matters

17 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict

17 5 The directors may revoke or vary that authorisation at any time, but this will not affect anything done by the Interested Director, prior to that revocation or variation, in accordance with the terms of that authorisation

17 6 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to

- (a) disclose that information to the directors or to any director or other officer or employee of the company, or
- (b) use or apply that information in performing his duties as a director,

where to do so would amount to a breach of that confidence

17 7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on those grounds

18. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, those decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye

19. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be less than one

20. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

21. APPOINTMENT AND REMOVAL OF THE INVESTOR DIRECTOR

21 1 For so long as the Investor holds at least 15% of the Ordinary Shares in issue it shall have the right to appoint and maintain in office one (1) natural person as a director of the Company (the "Investor Director") (and as a member of

each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Investor or otherwise, to appoint another person to act as an Investor Director in his place

- 21 2 Appointment and removal of an Investor Director shall be by written notice to the Company which shall take effect on delivery at its registered office or at any meeting of the Board or committee thereof

22 APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

- 22 1 Any director (**appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (a) exercise that director's powers, and
- (b) carry out that director's responsibilities,

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor

- 22 2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors

- 22 3 The notice must

- (a) identify the proposed alternate, and
- (b) in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice

23. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

- 23 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor

- 23 2 Except as the Articles specify otherwise, alternate directors

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

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member

23 3 A person who is an alternate director but not a director

- (a) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
- (c) shall not be counted as more than one director for the purposes of articles 23 3(a) and (b)

23 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

23 5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be entitled to receive any remuneration from the company for serving as an alternate director except that part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company

24. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates

- (a) when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate,
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (c) on the death of the alternate's appointor, or
- (d) when the alternate's appointor's appointment as a director terminates

25. SECRETARY

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think

fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

DECISION MAKING BY SHAREHOLDERS

26 MATTERS REQUIRING INVESTOR CONSENT

26 1 During (i) the first 15 months following the Completion Date, or (ii) any time so long as the Investor holds 30% or more of the Company's issued Ordinary Shares, the Company shall not take any of the following actions without the prior written consent of the Investor

- (a) amend the Articles or the Company's memorandum of association,
- (b) acquire or dispose of the whole (or part) of the undertaking of any other person,
- (c) dispose of the whole (or part) of the Company's undertaking,
- (d) merge the Company (or any part of its business) with any other person or propose to do so,
- (e) allow the Company to cease (or propose to cease) to carry on its business,
- (f) take any step to wind up the Company (except where it is insolvent (within the meaning of section 123 of the Insolvency Act 1986)),
- (g) take any step to place the Company into administration,
- (h) propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise), or
- (i) apply for an interim order under Part 1 of the Insolvency Act 1986 or to invite the appointment of a receiver or administrative receiver over all or any part of the Company's assets or undertaking,

27. POLL VOTES

27 1 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting

27 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article

28. PROXIES

- 28 1 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

ADMINISTRATIVE ARRANGEMENTS

29 MEANS OF COMMUNICATION TO BE USED

- 29 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- (a) if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted,
 - (b) if properly addressed and delivered by hand, when it was given or left at the appropriate address,
 - (c) if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
 - (d) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

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

- 29 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act

30. INDEMNITY

- 30 1 Subject to article 41 1, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- (a) each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer
 - (i) in the actual or purported execution and/or discharge of his duties, or in relation to them, and

- (ii) in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, 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 the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs, and

- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 41 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

30 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law

30 3 In this article

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

31. INSURANCE

31 1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss

31 2 In this article

- (a) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational

pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

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