

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
COPY WRITTEN RESOLUTIONS
of
CERES IMAGING LIMITED
("Company")

PASSED ON 23/2/2009

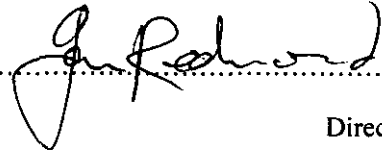
In accordance with the written resolution procedure in chapter 2 of part 13 of the Companies Act 2006, the following resolutions were duly passed on 23/2/2009 as ordinary and special resolutions as indicated below:

ORDINARY RESOLUTIONS

1. **That**, subject to the passing of resolution 3 below, pursuant to section 80 of the Companies Act 1985 (as amended) ("**Act**") and in substitution for all existing authorities under that section (to the extent unused), the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £44.14 provided that (unless previously revoked, varied or renewed) this authority shall expire on the fifth anniversary of the date of this resolution, save that the Company may make an offer or agreement before such expiry which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.
2. **That**, subject to the passing of resolution 3 below, each of the issued and unissued ordinary shares of £1 each in the capital of the Company be sub-divided into 100 ordinary shares of £0.01 each having the rights and privileges and being subject to the restrictions contained in the articles of association of the Company to be adopted pursuant to resolution 3 below.

SPECIAL RESOLUTION

3. **That**, the draft regulations distributed to the members of the Company and for the purposes of identification initialled by a director be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company.


.....
Director




THE COMPANIES ACT 1985-2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

CERES IMAGING LIMITED

(adopted by Special Resolution passed on 23/2/2009)

Burness 

120 Bothwell Street, Glasgow, G2 7JL
Telephone: 0141 248 4933 FAS: 8859
www.burness.co.uk

IRR

INDEX

Clause No.	Heading	Page No.
1	INTERPRETATION	1
2	TABLE A	4
3	SHARE CAPITAL	4
4	CAPITAL AND INCOME	4
5	ISSUE OF SHARES	5
6	LIEN AND FORFEITURE	5
7	GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES	5
8	PERMITTED TRANSFERS	6
9	PRE-EMPTION RIGHTS	6
10	COMPULSORY TRANSFER	10
11	TAG ALONG AND DRAG ALONG RIGHTS	11
12	PROCEEDINGS AT GENERAL MEETINGS	13
13	VOTES OF MEMBERS	13
14	NUMBER OF DIRECTORS	13
15	APPOINTMENT OF DIRECTORS	14
16	ALTERNATE DIRECTORS	15
17	NO SHARE QUALIFICATION	15
18	DIRECTORS' INTERESTS	15
19	PROCEEDINGS OF DIRECTORS	17
20	INDEMNITY	18

THE COMPANIES ACT 1985-2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

CERES IMAGING LIMITED

(adopted by Special Resolution passed on 23/2/ 2009)

1 INTERPRETATION

1.1 Definitions

In these Articles:-

“the Act” means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force and any provisions of the Companies Act 2006 for the time being in force;

“Articles” means these Articles of association;

“Bad Leaver” shall mean an Employee Shareholder who ceases 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 where such cessation occurs in circumstances where the Employee Shareholder is guilty of any material breach of his contract of employment or fraud or dishonesty or gross negligence or where such cessation is voluntary and is followed by the person in question taking up employment with, or undertaking the provision of services to, a competitor of the Company in breach of the terms of the post-termination restrictive covenants contained in the relevant Employee Shareholder's written terms and conditions of employment (whether or not contained in his contract of employment);

“Beneficial Shareholder” means the person beneficially entitled to shares held by a nominee or bare trustee on his behalf;

“Board” means the board of Directors of the Company;

“Company” means Ceres Imaging Limited (company number SC330746);

“Compulsory Relevant Event” means:-

(1) in relation to a person being an individual:

(a) such person being declared bankrupt; or

- (b) an Employee Shareholder ceasing to be an Employee; or
 - (c) such person or Employee Shareholder referred to in (a) and (b) respectively or his Representative thereafter acquiring shares pursuant to a right or interest obtained by such person while an Employee or prior to being adjudicated bankrupt as the case may be;
- (2) in relation to a person being a body corporate:
- (a) a receiver, judicial factor, administrative receiver or administrator being appointed of such person or over all or any part of its undertaking or assets or such person entering into liquidation (other than a voluntary liquidation for the purpose of a *bona fide* scheme of solvent amalgamation or reconstruction) or an analogous event to the foregoing occurring in relation to a body corporate incorporated other than in Scotland; or
 - (b) such person referred to in (2)(a) or the liquidator, receiver, manager, administrative receiver, administrator or other representative thereof acquiring shares pursuant to a right or interest obtained by such person prior to any such event;
- (3) in relation to a person being a body corporate such person ceasing to be a subsidiary of the ultimate holding company of which it was a wholly owned subsidiary at the later of the date of the adoption of these Articles and the date it became a member of the Company (unless the shares held by such person are thereupon transferred to a Member of the Same Group as such ultimate holding company at the said date any such transfer being deemed to be authorised for the purposes of Article 8) provided however that this paragraph (3) shall not apply to members of the Scottish Enterprise Group;

“Controlling Interest” means shares (or the beneficial interest in shares) which confer in aggregate on the holders thereof 50 per cent or more of the total voting rights conferred by all the shares in issue at the relevant time and conferring the right to vote at all general meetings of the Company;

“Deemed Transfer Notice” means a Transfer Notice deemed to be given under any provision of these Articles;

“Director” means a director of the Company;

“Employee” means an employee of the Company or any of its subsidiaries including an executive director;

“Employee Shareholder” means a person who is a Shareholder and is or has been a director and/or an employee of any member of the Group and shall for the avoidance of doubt include the Directors;

"Group" means the Company and any subsidiary thereof;

"Investors" means Scottish Enterprise and M-Squared and **"Investor"** shall be construed accordingly;

"M-Squared" means M-Squared Lasers Limited, a company incorporated in Scotland with registered number SC243330 and having its registered office at 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN;

"Member of the Same Group" means, in relation to any company, a company which is for the time being the ultimate holding company of which such company is a subsidiary or a wholly-owned subsidiary of any such holding company;

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

"Ordinary Shareholder" means a holder of Ordinary Shares;

"Privileged Relation" means, as regards any individual member or deceased or former individual member, the spouse, the civil partner or the widower or widow of the individual, the parents of the individual and all the lineal descendants of the individual and for such purposes a stepchild or adopted child or illegitimate child of any person shall be deemed to be a lineal descendant of such person;

"Relevant Person" shall mean a person subject to a Compulsory Relevant Event and shall in addition, include a reference to the Beneficial Shareholder in the case of shares held by a nominee or bare trustee for such Beneficial Shareholder where the Beneficial Shareholder is subject to a Compulsory Relevant Event and to the Shareholder or former Shareholder in the case of shares transferred by such person to a Privileged Relation;

"Representative" means, in relation to a member, any person or persons who have become entitled to shares in consequence of his death, bankruptcy or mental incapacity;

"Scottish Enterprise" means Scottish Enterprise established by the Enterprise and New Towns (Scotland) Act 1990 and having its principal place of business at 150 Broomielaw, 5 Atlantic Quay, Glasgow, G2 8LU;

"Scottish Enterprise Group" means Scottish Enterprise, any Subsidiary for the time being of Scottish Enterprise and any company, corporation or other body of persons which shall have acquired the whole or substantially the whole of the undertaking of Scottish Enterprise or any Subsidiary of such company, corporation or body and any other body to which the statutory functions of Scottish Enterprise have been delegated or a Scottish Enterprise Successor and the expression **"member of the Scottish Enterprise Group"** shall be construed accordingly;

“Scottish Enterprise Successor” means any party succeeding in whole or in part to the interests of Scottish Enterprise;

“Shareholder” means a holder of shares in the Company;

“Table A” means Table A in the Schedule to the Companies (Tables A to F) Amendment Regulations 2007;

“Transfer Notice” has the meaning set out in Article 9.1.

1.2 Same meanings as in the Act

Save as provided in Article 1.1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act.

1.3 Articles and Regulations

In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A.

2 TABLE A

The regulations contained in Table A shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these Articles. Regulations 40, 54, 64 to 69 (inclusive), 76 to 79 (inclusive), 81, 89, 93 to 98 (inclusive), 101 to 103 (inclusive) and 118 shall not apply to the Company.

3 SHARE CAPITAL

The share capital of the Company at the date of adoption of these Articles is £1,000,000 divided into 100,000,000 Ordinary Shares.

4 CAPITAL AND INCOME

4.1 Capital

On a return of assets (whether on a winding-up of the Company or otherwise), the assets of the Company remaining after the payment of all of its liabilities shall be distributed amongst the holders of the Ordinary Shares *pro rata* according to the amounts paid up or credited as paid up on the shares held by them respectively ignoring, for the avoidance of doubt, any premium paid on subscription.

4.2 Income

Every dividend that is lawfully declared by ordinary resolution shall be distributed to the holders of the Ordinary Shares *pro rata* according to the amounts paid up or credited as paid up on the shares held by them

respectively ignoring, for the avoidance of doubt, any premium paid on subscription.

5 ISSUE OF SHARES

5.1 Unless the Company and Shareholders holding at least 75% of the shares in issue of the capital of the Company (which must include Scottish Enterprise and M-Squared) otherwise agree, all shares to be issued shall first be offered to all Shareholders *pro rata* as nearly as may be in proportion to the existing numbers of shares held by such Shareholders, giving details of the number and the price of such shares. Any such offer of shares shall be open for acceptance for not less than 21 days from the date of despatch. Any shares not accepted in that period shall be at the disposal of the Directors who may (within the period of three months from the end of that period) allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms not less than that at which the same were offered to such Shareholders, and otherwise on such terms as they think proper.

5.2 Section 89 of the Act will not apply to the Company.

5.3 Special resolution

In Regulation 2 the words “ordinary resolution” shall be omitted and the words “special resolution” shall be substituted for them.

6 LIEN AND FORFEITURE

6.1 Lien to attach to all shares

In Regulation 8 the words “(not being a fully paid share)” shall be omitted. The lien conferred by Regulation 8 shall attach to all shares registered in the name of any person indebted or under liability to the Company (or in the name of the nominee or bare trustee for any such person) whether he is the sole registered holder thereof or one of two or more joint holders and shall include a lien in respect of any such indebtedness or liability. Regulation 8 shall be modified accordingly.

6.2 Pre-emption on enforcement

All shares to be sold in the enforcement of the Company’s lien or rights of forfeiture shall be offered in accordance with Article 9 as if they were unissued shares of the Company. Regulations 9 and 20 shall be modified accordingly.

7 GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES

7.1 General restriction on transfer

The right to transfer shares in the Company shall be subject to the rights and restrictions set out in Articles 7 to 11 inclusive and no share or any interest

therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions.

8 PERMITTED TRANSFERS

8.1 Permitted transfers to relations

Any Shareholder may at any time transfer all or any shares held by him to a Privileged Relation.

8.2 Transfers by Scottish Enterprise

Notwithstanding any other provision contained in these Articles, the directors shall register the transfer of any shares made from any member of the Scottish Enterprise Group to any other member of the Scottish Enterprise Group, without restriction as to price or otherwise.

8.3 Mandatory transfer on change of control

If any member ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988 or section 995 of the Income Tax Act 2007 as appropriate) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name provided however that this Article 8.3 shall not apply to members of the Scottish Enterprise Group or to M-Squared provided that M-Squared has not become controlled by a competitor of the Company or any other party that the Company and Scottish Enterprise reasonably consider to be adverse to the best interests of the Company.

9 PRE-EMPTION RIGHTS

9.1 Transfer Notice

Before transferring any shares, otherwise than in accordance with Article 8, the person proposing to transfer the same (the "**Proposing Transferor**") shall give notice in writing ("**Transfer Notice**") to the Company that he proposes to transfer such shares (the "**Sale Shares**") and, in the event that the Proposing Transferor shall have reached an agreement or an arrangement with a third party for the sale of the Sale Shares to such third party, the Proposing Transferor shall state in the Transfer Notice the name of such third party, the price per share at which the Sale Shares are to be sold to such third party and all other material terms of the proposed transfer. The Transfer Notice shall constitute the Company (by the Board) his agent for the transfer of the Sale Shares at the Prescribed Price referred to below and during the period expiring three months after the giving of the Transfer Notice or ten weeks after the agreeing or determination of the Prescribed Price, whichever shall be the later, (the "**Prescribed Period**") in accordance with the following provisions of this Article. Save as hereafter provided, a Transfer

Notice once given or required to be given or deemed to have been given shall not be revocable. A Transfer Notice (other than a Transfer Notice required to be given or deemed to have been given pursuant to these Articles) may contain a provision that unless all or a specified number of the Sale Shares are sold by the Company within the Prescribed Period pursuant to this Article the Transfer Notice shall be withdrawn and any such provision shall be binding on the Company.

9.2 Offer of Sale Shares

The Sale Shares shall, within 14 days of the date the Transfer Notice is received by the Company or is deemed to have been given or within seven days after the Prescribed Price shall have been agreed or determined as hereinafter provided, whichever shall be the later, be offered by the Company in writing for purchase at the Prescribed Price.

Such offer shall first be made to all the other Ordinary Shareholders *pro rata* to their shareholding.

To the extent that such offers are not accepted in whole or in part the remaining Sale Shares shall thereafter be offered by the Company at the Prescribed Price within seven days of the closing of the initial offer to such Shareholders that have accepted the initial offer *pro rata* to their shareholdings.

Each such offer shall specify a time (not being less than 21 days in the case of an initial offer and 14 days in the case of a subsequent offer) within which it must be accepted failing which it will lapse. In the case of competition in respect of any such offer the Sale Shares so offered shall be allocated to the acceptors in proportion (as nearly as may be without involving fractions or increasing the number sold to any member beyond that applied for by him) to their existing holding of the relevant class or classes of shares.

9.3 Notification of Purchasers

If the Board shall within the Prescribed Period find members (each such person called a "**Purchaser**") to purchase the Sale Shares or any of them and give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Prescribed Price, to transfer such of the Sale Shares to the respective Purchasers. If the Transfer Notice stated that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of such Sale Shares, the obligation in this Article to transfer shall not apply unless the Board shall have found Purchasers for the whole of the Sale Shares or not less than such specified number. Every such notice from the Board shall state the name and address of the Purchaser concerned and the number of shares agreed to be purchased by him. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Board when, against payment of the Prescribed Price and any relevant stamp duties, the Proposing Transferor shall deliver transfers in favour of the Purchasers together with the share certificates in respect of the

relevant Sale Shares and the Purchasers shall be registered as the holders of the relevant Sale Shares in the register of members of the Company and share certificates in the names of such Purchasers and in respect of the relevant Sale Shares shall be delivered.

9.4 Failure to transfer

If in any case a Proposing Transferor, after having become bound to transfer any Shares to a Purchaser, shall make default in so doing or shall fail to deliver share certificates in respect thereof, the Board may authorise some person to execute and deliver on his behalf any necessary transfer in favour of the Purchaser and shall receive the purchase money and shall thereupon (subject to the transfer being duly stamped) cause the name of the Purchaser to be entered into the register of members as the holder of the relevant shares. The Company shall hold the purchase money in trust for the Proposing Transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application thereof and after the name of the Purchaser has been entered in the register of members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

9.5 Purchasers not found for Sale Shares

If the Board shall not within the Prescribed Period find Purchasers willing to purchase all the Sale Shares (or any lesser number specified in the Transfer Notice for the purposes of Article 9.1) at the Prescribed Price or if the Directors shall within the Prescribed Period give to the Proposing Transferor notice in writing that the Board have no prospect of finding Purchasers, the Proposing Transferor at any time thereafter up to the expiry of six weeks after the Prescribed Period shall be at liberty (subject only to the provisions of Regulation 24) to transfer those Sale Shares for which the Company has not found (or has given notice that it has no prospect of finding) Purchasers to any person by way of a bona fide sale at any price not being less than the Prescribed Price (after deducting, where appropriate, any dividend or other distribution declared or made in respect of the Sale Shares after the giving of the Transfer Notice and to be retained by the Proposing Transferor) and otherwise on the terms set out in the Transfer Notice provided that:-

9.5.1 if the Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the Sale Shares or less than a specified number of the Sale Shares he shall not be entitled to transfer any of such Sale Shares unless in aggregate the whole of such Sale Shares or, as relevant, not less than the specified number of such Sale Shares are so transferred;

9.5.2 the Board may require to be satisfied that the Sale Shares are being transferred pursuant to a *bona fide* sale upon the material terms and for the consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the purchaser (other than in respect

of any dividend or other distribution as referred to above) and if not so satisfied may refuse to register the instrument of transfer; and

9.5.3 the provisions of this Article 9.5 shall not apply in the case of a Deemed Transfer Notice.

9.6 Prescribed Price for Sale Shares (other than those to be transferred by Bad Leavers)

The expression "**Prescribed Price**" shall mean in respect of each Sale Share (other than those to be transferred by a Bad Leaver the prescribed price for which will be determined in accordance with Article 9.8) such sum per share as shall be agreed between the Proposing Transferor and the remaining Shareholders or, failing agreement, as shall be determined by an independent share valuation expert ("**Expert**") in accordance with Article 9.7.

9.7 Determination of Prescribed Price by Expert

9.7.1 The Expert shall be appointed by agreement between the parties who have failed to agree the Prescribed Price ("**the parties**") or, failing agreement within seven days as to such appointment, by the President for the time being of the Institute of Chartered Accountants of Scotland on the application of any of the parties. The Expert shall state in writing what is in his opinion the fair value of the Sale Shares as determined in accordance with this clause. In so stating his opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, his determination shall be final and binding on all concerned. For this purpose the Expert shall be given by the Board, all information which a prudent prospective purchaser might reasonably require if he were proposing to purchase the Sale Shares from a willing vendor by private treaty and at arm's length, together with such information as any member of the Company may wish to provide to him and such other information as he may reasonably require. The Expert shall be entitled to determine the procedure to be followed in arriving at his decision (in the absence of agreement by the parties) and to appoint legal or other advisers if appropriate. The costs involved in the Expert's determination of the Prescribed Price (including the Expert's expenses and the costs of any advisers to the Expert) shall, in the absence of any determination by the Expert, be borne as to one half by the Proposing Transferor and as to the other half by the Purchasers (and as between the Purchasers pro rata to the number of shares purchased). If there is no ultimate Purchaser then the costs will be borne entirely by the Proposing Transferor.

9.7.2 The Expert must determine the Prescribed Price within 30 business days of his appointment and shall notify the Shareholders of his determination.

9.7.3 The Expert shall value the entire capital of the Company at its "fair value". For these purposes, "fair value" is calculated by determining

the value of the whole issued share capital of the Company between a willing buyer and a willing seller on a going concern basis and then fixing the value of the shares being sold as the same fraction as the number of shares being sold are of the total number of shares issued or under option in the capital of the Company (but excluding for these purposes any shares under option that the Expert can demonstrate are "under water"), and on the assumption that the Sale Shares are capable of transfer without restriction and his decision as to Sale Price shall, in the absence of manifest error, be final and binding. For the avoidance of doubt in determining the "fair value" the value shall not be enhanced to reflect a majority shareholding or discounted to reflect a minority share holding.

9.8 Prescribed Price for Shale Shares to be transferred by Bad Leavers

The expression "**Prescribed Price**" shall mean in respect of each Sale Share to be transferred by Bad Leavers the lower of (i) the subscription price paid for the Sale Shares and (ii) the price certified by the Independent Expert to be the fair value of the Sale Shares pursuant to Article 9.7.

10 COMPULSORY TRANSFER

10.1 Deemed Transfer Notice - Compulsory Relevant Event

Upon the happening of any Compulsory Relevant Event in relation to a Relevant Person a Transfer Notice shall be deemed to have been immediately given in respect of all the shares as shall then be registered in the name of such Relevant Person or his Representatives or his or their nominee or bare trustee and in respect of all shares that such Relevant Person shall have transferred to a Privileged Relation and any additional shares issued to any such Privileged Relation by way of capitalisation, consolidation or subdivision or acquired by such person in exercise of any right or option granted or arising by virtue of the holding of the shares so transferred or any of them or the membership thereby conferred or any shares otherwise held by a Privileged Relation of such Relevant Person.

10.2 Bankruptcy

If the Compulsory Relevant Event shall be the bankruptcy of a Relevant Person and if any of the shares which are offered pursuant to the deemed Transfer Notice shall not be sold to the members ("**Unsold Shares**") then, after the expiration of the period during which the Unsold Shares might have been purchased by a member or members pursuant thereto, the Representatives of the Relevant Person in question shall be entitled to elect at any time before the shares are disposed of by them to be registered themselves as the holders of the Unsold Shares (but so that such election shall not give rise to any obligation to serve a Transfer Notice in respect of the Unsold Shares).

11 TAG ALONG AND DRAG ALONG RIGHTS

Tag along

- 11.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered without the consent in writing of the Shareholders who hold over 75% of the entire issued equity share capital of the Company by nominal value (which Shareholders must include Scottish Enterprise and M-Squared), if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert unless the proposed transferee or transferees or his or their nominees:-

11.1.1 are independent third parties acting in good faith;

11.1.2 has or have offered to purchase all the Ordinary Shares for the time being in issue at the Specified Price; and

Scottish Enterprise and M-Squared has consented to such purchase.

In this sub-Article the “**Specified Price**” means 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 being acquired; plus

the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other 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 per share; plus

all arrears and accruals of the dividends on such shares calculated down to the date of the sale or transfer.

In the event of disagreement the calculation of the Specified Price shall be referred to an independent expert (as decided between the relevant parties and in the event of disagreement as appointed on the application of any party by the President for the time being of the Institute of Chartered Accountants of Scotland) whose decision shall be final and binding.

If any part of the Specified Price is to be paid except by cash then each holder of the Ordinary Shares may, at its option, elect to take a price per share of such cash sum as may be agreed by it and the proposed transferee having regard to the transaction as a whole.

Drag along

- 11.2 If Shareholders holding not less than 80% of the equity share capital (by nominal value) (which Shareholders must include either Scottish Enterprise or M-Squared) of the Company, (the “**Selling Shareholders**”) wish to transfer all their interest in shares in the Company (the “**Sellers’ Shares**”) to a bona fide arms length purchaser (the “**Third Party Purchaser**”) the

Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of shares in the Company (the **"Called Shareholders"**) to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article.

- 11.3 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the **"Called Shares"**) pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.
- 11.4 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 11.5 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be determined in the same way as the Specified Price under sub-Article 11.1.
- 11.6 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this Article.
- 11.7 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:-
 - 11.7.1 all of the Called Shareholders and the Selling Shareholders agree otherwise; or
 - 11.7.2 that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 11.8 The rights of pre-emption set out in these Articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 11.9 If any Shareholder does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by that Shareholder the defaulting Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the Board shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or its nominee) has been

registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-Article that no share certificate has been produced.

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 (a "**New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article shall apply *mutatis mutandis* to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

12 PROCEEDINGS AT GENERAL MEETINGS

12.1 Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member, shall be a quorum. If at any adjourned meeting which has been so adjourned pursuant to Regulation 41 a quorum is not present within half an hour of the time appointed for the adjourned meeting the meeting will be dissolved. Regulation 41 shall be construed accordingly.

12.2 Poll

A poll may be demanded at any general meeting by the Chairman or any member or members present in person or by proxy or by a duly authorised representative of a corporate member in each case representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting. Regulation 46 shall be modified accordingly.

13 VOTES OF MEMBERS

Subject to any special rights, privileges or restrictions as to voting attached to any shares, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by proxy or by a representative not being himself a member shall have one vote, and in the case of a poll every member present in person, by representative or by proxy shall have one vote for every share of which he is the holder.

14 NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution (and subject to Article 15), the number of Directors shall be not more than five and the minimum shall be one.

15 APPOINTMENT OF DIRECTORS

15.1 Notwithstanding any limitation on number imposed by these Articles from time to time each Investor shall be entitled (for so long as it holds shares in the capital of the Company), by notice in writing, to nominate and appoint, one person as a non-executive Director (the costs of such appointment to be met by the Company) and the following provisions shall have effect:

15.1.1 any such appointment shall be made by notice in writing to the Company by the appointing Investor and such Investor may in like manner at any time and from time to time remove from office any non- executive Director appointed by it pursuant to this Article and appoint any person in place of any non- executive Director so removed or dying or otherwise vacating office;

15.1.2 upon any resolution for the removal of its non- executive Director appointed pursuant to this Article 15 and for the time being holding office pursuant to this Article, Scottish Enterprise and/or M-Squared (as appropriate) shall have the right to an aggregate number of votes which is one vote greater than the number of votes capable of being cast on such resolution by all other members of the Company in relation to the non- executive Director appointed by it;

15.1.3 the remuneration and expenses to be paid to any non- executive Director appointed pursuant to this Article 15 shall be such sum as may be agreed between the non- executive Director and the Company or failing agreement, such reasonable amount as may be determined by the appointing Investor; and

15.1.4 upon request by Scottish Enterprise or M-Squared the Company shall procure that any non-executive Director appointed by such Investor pursuant to this Article 15 shall also be appointed as a director of other Group Companies (or any of them).

15.2 In addition to the right to appoint a non-executive Director, each Investor shall, for as long as it holds issued shares in the Company, be entitled (but not obliged to) appoint any person as an observer ("**the Observer**") to attend and speak at (but not vote in) all Board meetings of the Company and to remove any Observer and appoint another in his place at any time.

15.3 Disclosure of information

Each non-executive Director appointed by Scottish Enterprise and M-Squared as relevant shall be at liberty from time to time to make such disclosure to Scottish Enterprise or M-Squared as relevant concerning the Group as he shall think fit.

16 ALTERNATE DIRECTORS

Appointment and removal

Any Director (other than an alternate Director) may from time to time appoint any other Director or any person approved by the Board (such approval not to be unreasonably withheld or delayed) to be an alternate Director of the Company and may at any time remove from office any alternate Director so appointed by him and appoint another person approved as aforesaid in his place. Any appointment of an alternate Director may provide for two or more persons in the alternative to act as an alternate Director.

17 NO SHARE QUALIFICATION

A Director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

18 DIRECTORS' INTERESTS

18.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-

18.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

18.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

18.1.3 may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

18.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from 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

18.1.5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article.

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 number 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.

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.

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.

18.2 Directors' Powers to Authorise Conflicts of Interest

18.2.1 The Board may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisations) authorise, to the fullest extent permitted by law:-

18.2.1.1 any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including conflict of interest and duty or conflict of duties);

18.2.1.2 a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality of Article 18.2.1.1 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises;

18.2.1.3 provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any Board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

18.2.2 If a matter, or office, employment or position, has been authorised by the Board in accordance with this Article 18.2, then:-

18.2.2.1 the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a

disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;

18.2.2.2 the Director may absent himself from meetings of the Board at which anything relating to that matter, or that office, employment or position, will or may be discussed; and

18.2.2.3 the Director may make such arrangement as such Director thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that Director.

18.2.3 A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this Article 18.2 (subject always in any such case to any limits or conditions to which such approval was subject).

18.2.4 This Article is without prejudice to the operation of Article 18.1.

19 PROCEEDINGS OF DIRECTORS

19.1 Quorum

The minimum quorum necessary for the transaction of business at any meeting of the directors or of any committee of directors shall be three of which, unless otherwise agreed from time to time by each of the Investors, shall include the Investors' Directors. In the event there is only one Investors' Director appointed, the minimum quorum necessary for the transaction of business at any meeting of the directors or of any committee of directors shall be two which, unless otherwise agreed from time to time by each of the Investors, shall include the appointed Investors' Director. Regulation 89 of Table A shall be amended accordingly. If there is only one director, he may exercise all the powers and discretions conferred on directors by these Articles.

19.2 Meetings in United Kingdom

Meetings of the Board shall not without the consent of Scottish Enterprise and M-Squared be held outside the United Kingdom.

19.3 Regulation of meetings

Meetings of the Board shall be held at least every calendar month and a minimum of seven days' notice of meetings of the Board accompanied by an agenda of the business to be transacted shall be given to all the Directors. Subject as aforesaid, the Directors may adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

19.4 Written resolutions

A resolution executed or approved in writing by all the Directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors. A resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

19.5 Delegation to committees

The Board shall not delegate any of its powers to a committee or committees.

19.6 Meetings by conference facilities

A meeting of the Directors may consist of a conference between Directors some or all of whom are in different places provided that each Director who participates in the meeting is able:-

19.6.1 to hear each of the other participating Directors addressing the meeting; and

19.6.2 if he so wishes, to address each of the other participating Directors simultaneously, whether directly, by conference telephone or by any other form of communication equipment (whether in use when this Article is adopted or developed subsequently) or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of Directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of Directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting. Any Director may, by prior notice to the Secretary, indicate that he wishes to participate in the meeting in such manner, in which event, the Directors shall procure that an appropriate conference facility is arranged.

19.7 Notices

It shall be necessary to give notice of every meeting of the Board to any non-executive Director and any Observer appointed by Scottish Enterprise provided however that, if this is not reasonably practicable such notice shall instead be given to Scottish Enterprise.

20 INDEMNITY

20.1 Every Director or other officer of the Company shall be entitled, if determined by the Directors and to the extent so determined by the Directors, to be indemnified out of the assets of the Company to the fullest extent permitted by sections 232 and 234 of the Companies Act 2006 against all

losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 144 (3) or (4) or section 727 of the Act in which relief is granted to him by the court (the Company being authorised to enter into a loan arrangement with the Director or other officer but only on terms that comply in full with section 205 of the Companies Act 2006 to enable that Director or other officer to meet any liability incurred in defending such proceedings or making such application for relief as that liability is incurred), and such indemnity shall extend (if so determined) to former directors and other officers of the Company.

- 20.2 The Directors shall have power in accordance with section 233 of the Companies Act 2006 to purchase and maintain for any director or other officer of the Company insurance against any such liability as is referred to in section 232(2) of the Companies Act 2006.
- 20.3 This Article 20 shall only have effect to the extent that its provisions are not avoided by sections 232 to 234 of the Companies Act 2006.