THE COMPANIES ACTS 1985-1989
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
[ ] LIMITED
(the "Company")
(adopted by special resolution on )

1. DEFINITIONS AND INTERPRETATION

1.1 In these Articles, unless the context requires otherwise:-

"Act" means the Companies Act 1985 as amended re-enacted or replaced from time to time whether before or after the adoption of these Articles;

"acting in concert" has the meaning ascribed to it by The City Code on Takeovers and Mergers as in force and construed on the date of adoption of these Articles;

"Articles" means these articles of association constituted by the following regulations together with any duly authorised amendments or alterations from time to time and the term "Article" shall be a reference to a regulation contained in these Articles;

"Auditors" means the auditors for the time being of the Company;

"Board" means the board of directors of the Company from time to time;

"business day" means a day, other than a Saturday or a Sunday, on which clearing banks are open for commercial business in Edinburgh;

"Change of Control" means the acquisition whether by purchase, transfer, renunciation or otherwise by any person (a "Third Party Purchaser") of any interest in any Shares if, upon completion of that acquisition, the Third Party Purchaser, together with persons acting in concert or connected with him, would hold more than 50 per cent in nominal value of any class of the Shares;

"Completion Date" means ;

"connected with" has the meaning ascribed to it in Section 839 Income and Corporation Taxes Act 1988 save that there shall be deemed to be control for that purpose whenever either Section 416 or Section 840 of that Act would so require;
"Directors" means the directors of the Company from time to time;

"Founders" means

"Group" means the Company and all its subsidiaries and subsidiary undertakings from time to time and "member of the Group" shall be construed accordingly;

"Investors" means [ ]; and any Member who has acquired shares from any of the foregoing persons under Article 6 (Permitted Transfers) and such other persons as the shareholders may from time to time agree in writing to designate as "Investors" for the purposes of these Articles of Association (and the expression "Investor" shall mean anyone of them);

"Investor Director" means a director appointed by an Investor pursuant to Article 17.1;

"Investor Majority" means Investors holding between them over 70% in nominal value of the total issued share capital of the Company held by all the Investors;

"Issue Price" means the amount paid up or credited as paid up (including any premium on issue) on the Shares concerned;

"Member" means any registered holder of a Share;

"Ordinary Shares" means the ordinary shares of one penny each in the capital of the Company;

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

the "Scottish Enterprise Group" shall mean 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 if 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" shall mean any party succeeding in whole or in part to the interest of Scottish Enterprise;

"Share" means a share in the capital of the Company;

"Table A" means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations
1985 and as further amended by The Companies Act 1985 (Electronic Communications) Order 2000;

"Third Party Purchaser" has the meaning ascribed to it in the definition of "Change of Control"; and

"Valuers" means the Auditors unless:-

(a) a report on the Market Value (as defined in Article 7.4(b) is to be made pursuant to a Deemed Transfer Notice (as defined in Article 8.2) and, within 21 days after the date of the Deemed Transfer Notice (as defined in Article 8.2), the Vendor (as defined in Article 7.1) notifies the Board in writing that it objects to the Auditors making that report; or

(b) the Auditors give notice to the Company that they decline an instruction to report on Market Value (as defined in Article 7.4),

when the Valuers shall be a firm of chartered accountants agreed between the Vendor and the Board or, in default of agreement within 20 business days after the event referred to in (a) or (b) above, appointed by the President of the Institute of Chartered Accountants in Scotland (or in his absence such applicable deputy) on the application of the Vendor or the Board.

1.2 The regulations of Table A shall be incorporated into and form part of these Articles and shall apply to the Company insofar as such regulations are not excluded, amended or modified by or inconsistent with this document.

1.3 Regulations 5, 33 and 64, of Table A shall not apply to the Company and the following Regulations thereof shall be modified:-

(a) Regulation 6 by the deletion of the words "shall be sealed with the seal and";

(b) Regulation 24 by the addition of the words "(in their absolute discretion and without assigning any reason therefor)" between the words "may" and "refuse";

(c) Regulation 32 by the addition to paragraph (b) of the words "but so that any such consolidation and/or division shall not result in any member becoming entitled to fractions of a share";

(d) Regulation 40 by the addition at the end of the second sentence of the words "provided that if the Company shall have only one member, one member shall constitute a quorum";

(e) Regulation 46 by the deletion of paragraphs (a) to (d) inclusive and the substitution of the words "by the chairman or by any person present entitled to vote upon the business to be transacted or by any members proxy or attorney, or if a corporation by its duly authorised
representative";

(f) Regulation 54 by the addition of the words "or by proxy" between the words "vote", and "shall" and the words "fully paid" between the words "every" and "share";

(g) Regulation 67 by the deletion of the words from "but" where it first appears until the end of the Regulation;

(h) Regulation 78 by the deletion of the words "and may also determine the rotation in which any additional directors are to retire";

(i) Regulation 84 by the addition of the words "Unless the contrary shall be provided in the terms of his appointment" at the beginning of the third sentence; and

(j) Regulation 85(c) by the addition of the words "subject to the terms of any contract of employment between the Company and the Director," between the words "shall" and "not".

1.4 These Articles and the regulations incorporated into them shall take effect subject to the requirements of the Act and of every other statute for the time being in force affecting the Company.

1.5 In these Articles where the context so permits:-

(a) words importing the singular number only shall include the plural number, and vice versa;

(b) words importing the masculine gender only shall include the feminine gender;

(c) words importing persons shall include bodies corporate, unincorporated associations and partnerships; and

(d) the expression "paid up" shall include credited as paid up.

1.6 References in these Articles to Regulations are to regulations in Table A and references to an Article by number are to a particular Article of these Articles.

1.7 Words and expressions defined in or for the purposes of the Act or Table A shall, unless these Articles provide otherwise, have the same meaning in these Articles.

1.8 Words and expressions defined elsewhere in these Articles shall bear the meanings thereby ascribed to them.

1.9 Headings used in these Articles shall not affect their construction or interpretation.
1.10 References to any statute or section of any statute shall include reference to any statutory amendment, extension, modification or re-enactment thereof for the time being in force.

2. **AUTHORISED SHARE CAPITAL**

2.1 The Company is a private company as defined by Section 1 of the Act and accordingly any offer to the public (whether for cash or otherwise) of any shares in or debentures of the Company or any allotment of or agreement to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of these shares or debentures being offered for sale to the public shall be prohibited.

2.2 The authorised share capital of the Company at the date of the adoption of these Articles is £[ ] divided into [ ] Ordinary Shares of £[ ] each.

3. **ISSUE OF SHARES**

3.1 Pursuant to Section 91 of the Act, Sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

3.2 Any original shares of the Company for the time being unissued and any new Shares from time to time to be created shall be offered to existing Members in strict proportion to the number of Shares held by them at that time. The offer shall be made by notice to each Member specifying the number of Shares offered and limiting a period (not being less than 21 days) within which the offer if not accepted by notice to the Company shall be deemed to be declined. Following expiry of such period or receipt of notice of the acceptance or refusal of every offer made hereunder the Directors may dispose of any Shares not accepted by the Members in such manner as they think most beneficial to the Company provided that such Shares shall not be disposed of on terms which are more favourable to the allottee than the terms on which they are offered to the Members hereunder.

4. **TRANSFER OF SHARES - GENERAL PROVISIONS**

4.1 The Board shall not register the transfer of any Share or any interest in any Share unless the transfer is permitted by and is made in accordance with these Articles and is not prohibited under Article 10 (Prohibited Transfers).

4.2 For the purpose of ensuring that a transfer of Shares is in accordance with these Articles or that no circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice (as defined in Article 6.1) the Board may from time to time require any Member or any person named as transferee in any transfer lodged for registration to furnish to the Board such information and evidence as they deem relevant for such purpose.

4.3 Failing such information or evidence being furnished to their reasonable
satisfaction within a reasonable time after request under Article 4.2 the Board may in their absolute discretion refuse to register the transfer in question or require by notice in writing to the Member(s) concerned that a Transfer Notice be given in respect of the Shares concerned.

4.4 If such information or evidence requested under Article 4.2 discloses to the satisfaction of the Board in their absolute discretion that circumstances have arisen whereby a Member may be bound to give or be deemed to have given a Transfer Notice the Board may in their absolute discretion by notice in writing to the Member(s) concerned require that a Transfer Notice be given in respect of the Shares concerned.

4.5 An obligation to transfer a Share under these Articles shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such Share free from any lien, charge or encumbrance.

4.6 Save as expressly permitted by these Articles no arrangement shall be entered into by any Member whereby the terms upon which that Member holds any Shares are to be varied if as a result any interest in those Shares is varied, disposed of or created or extinguished.

4.7 Regulations 30 and 31 shall be modified to reflect the provisions of this Article 4 and Articles 5 (Permitted Transfers) to 10 (Prohibited Transfers) (inclusive).

5. PERMITTED TRANSFERS

5.1 Definitions

For the purposes of Article 5 (Permitted Transfers), Article 6 (Voluntary Transfers) and Article 7 (Compulsory Transfers):

(a) "Family Member" means, in relation to a Member, any of his spouse (or widow or widower), children and grandchildren (including step and adopted children and grandchildren);

(b) "Family Trust" means, in relation to a Member, a trust which does not permit any of the settled property or the income from it to be applied otherwise than for the benefit of that Member or any of his Family Members and under which no power of control over the voting powers conferred by any Shares, the subject of the trust is capable of being exercised by, or being subject to the consent of, any person other than the trustees or such Member or any of his Family Members;

(c) "a member of the same group" means, in relation to a body corporate, any other body corporate which is for the time being a holding company of that body corporate or a subsidiary of that body corporate or a subsidiary of any holding company of which that body corporate is also a subsidiary as these terms are defined in Section 736 of the Act;
(d) "permitted transfer" means any transfer of Shares expressly permitted under this Article 5; and

(e) "Family Shares" means, in relation to a Member, any Shares for the time being held by that Member or any of his Family Members or trustees of his Family Trust.

5.2 Family members and trusts

(a) Subject to Articles 5.2(b) to 5.2(d) (inclusive) and to Article 10 (Prohibited Transfers), any Member who is an individual may at any time transfer Shares originally allotted to and still held by him to a person or persons shown to the reasonable satisfaction of the Board to be:-

(i) a Family Member of his; or

(ii) trustees to be held under a Family Trust for that Member.

(b) No transfer of Shares shall be made under Article 5.2(a) unless the Board has confirmed in writing (such confirmation not to be unreasonably withheld) its satisfaction:-

(i) that the transferee is a Family Trust within the meaning set out in Article 5.1(b);

(ii) that none of the costs incurred in establishing or maintaining the relevant Family Trust will be payable by the Company.

(c) Where Shares are held by trustees under a Family Trust:

(i) those Shares may, on any change of trustees, be transferred by those trustees to any new trustee of that Family Trust;

(ii) those Shares may at any time be transferred by those trustees to the settlor of that trust or any other person to whom the settlor could have transferred them under Article 5.2(a) if he had remained the holder of them; and

(iii) if and whenever any of those Shares cease to be held under a Family Trust (other than by virtue of a transfer made under Article 5.2(c)(ii), the trustees shall forthwith give a Transfer Notice (as defined in Article 6.1) in respect of all the Shares then held by those trustees and in any event within 28 days of the Shares ceasing to be so held, and in default of so doing a Transfer Notice in accordance with Article 6 shall be deemed to have been served in respect of such Shares.

(d) If any person has acquired Shares as a Family Member by way of one or more permitted transfers and that person ceases to be a Family Member, that person
shall forthwith transfer all the Shares then held by that person back to the appropriate Member, for such consideration as they agree (or in the event of failure to agree within 21 days of ceasing to be a Family Member for no consideration) within 28 days of the cessation or, in default of so doing, a Transfer Notice shall be deemed to have been served in respect of such Shares in accordance with Article 6.

(e) If the personal representatives of a deceased Member are permitted under these Articles to become registered as the holders of any of the deceased Member's Shares and elect to do so, such Shares may at any time be transferred by those personal representatives under this Article 5.2 to any person to whom the deceased Member could have transferred such Shares under this Article 6 if he had remained the holder of them. No other transfer of such Shares by personal representatives shall be permitted under this Article 5.

5.3 **Groups of Companies**

(a) Any Member which is a body corporate may at any time transfer any Shares held by it to a member of the same group.

(b) Any member of the Scottish Enterprise Group may at any time transfer any Shares held by it to another member of the Scottish Enterprise Group.

(c) Where Shares have been transferred under Articles 5.3(a) and 5.3(b) (whether directly or indirectly or by a series of such transfers) from a Member (the "Transferor") to a member of the same group as the Transferor (the "Transferee") and subsequent to such transfer the Transferee ceases to be a member of that group the Transferee shall forthwith transfer all the Shares held by it to the Transferor for such consideration as they agree and if they do not do so within, 28 days of the date upon which the Transferee ceases to be a member of the same group the directors may require the Transferee to serve a Transfer Notice in accordance with Article 6 in respect of such Shares. Save that this article shall not apply where the Transferee is a Scottish Enterprise Successor.

5.4 **With consent**

A Member may transfer Shares to any person at any time with the prior written consent of all other Members.

5.5 **Entire interest**

Any transfer of any Share pursuant to this Article 5 shall only be treated as a permitted transfer for the purposes of these Articles if it is a transfer of the entire legal and beneficial interest in such share, free from any lien, charge or other encumbrance (save for any interest of beneficiaries under the relevant Family Trust, where applicable).

6. **VOLUNTARY TRANSFERS**
6.1 Except as expressly permitted under Article 5 (Permitted Transfers), any Member who wishes to transfer any Share (a "Vendor") shall before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a "Transfer Notice") on the Company of his wish to make that transfer. Save as expressly permitted by Article 5 (Permitted Transfers) and subject always to Article 8 (Pull Along), Article 9 (Tag Along) and Article 10 (Prohibited Transfers) a Member who wishes to transfer an interest in a Share (but not the Share itself) may do so only with the prior written consent of all of the other Members.

6.2 In the Transfer Notice the Vendor shall specify:-

(a) the number of Shares which he wishes to transfer ("Sale Shares");

(b) the identity of the person (if any) to whom the Vendor wishes to transfer the Sale Shares;

(c) the price per share at which the Vendor wishes to transfer the Sale Shares (the "Proposed Price");

(d) any other terms relating to the transfer of the Sale Shares; and

(e) whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 6 (a "Total Transfer Condition").

6.3 Each Transfer Notice shall:-

(a) relate to one class of Share only;

(b) constitute the Company as the agent of the Vendor for the sale of the Sale Shares on the terms of this Article 6;

(c) save as provided in Article 6.5, be irrevocable; and

(d) not contain or be deemed to contain a Total Transfer Condition unless the same is both expressly stated therein and permitted by these Articles.

6.4 The Sale Shares shall be offered for purchase in accordance with this Article 6 at a price per Sale Share (the "Sale Price") agreed between the Vendor and the Board or, in default of such agreement by the end of the 20th business day after the date of service of the Transfer Notice, the lower of:-

(a) the Proposed Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 20th business day; and

(b) if the Board so elects within that 20 business day period after the date
of service of the Transfer Notice, the price per share reported on by the
Valuers as their written opinion of the open market value of each Sale
Share in accordance with Article 6.14 (the "Market Value") as at the
date of service of the Transfer Notice (in which case for the purposes
of these Articles the Sale Price shall be deemed to have been
determined on the date of the receipt by the Company of the Valuer's
report).

6.5 If the Market Value is reported on by the Valuers under Article 6.4 (b) to be
less than the Proposed Price, the Vendor may revoke the Transfer Notice by
written notice given to the Board within the period of 5 business days after the
date the Board serves on the Vendor the Valuers' written opinion of the
Market Value (the "Withdrawal Period").

6.6 The Board shall at least 10 business days after and no more than 20 business
days after the Sale Price has been agreed or determined give an Offer Notice
to all Members to whom the Sale Shares are to be offered in accordance with
these Articles.

6.7 An Offer Notice shall expire 15 business days after its service and shall:-

(a) specify the Sale Price;

(b) contain the other information set out in the Transfer Notice; and

(c) invite the relevant offerees to apply in writing, before expiry of the
Offer Notice, to purchase the numbers of Shares specified by them in
their application.

6.8 By the Offer Notice the Sale Shares shall be offered to all Members (but no
Shares shall be treated as offered to the Vendor or any other Member who is
then bound to give, has given or is deemed to have given a Transfer Notice).

6.9 After the expiry date of the Offer Notice (or, if earlier, after valid applications
being received for all the Sale Shares in accordance with Article 6.7), the
Board shall allocate the Sale Shares in accordance with the applications
received, subject to the other provisions of these Articles and Table A, save
that:-

(a) if there are applications for more than the number of Sale Shares
available, they shall be allocated to those applicants in proportion (as
nearly as possible but without allocating to any Member more Sale
Shares than the maximum number applied for by him) to the number of
Shares then held by them respectively;

(b) if it is not possible to allocate any of the Sale Shares without involving
fractions, they shall be allocated amongst the applicants in such
manner as the Board shall think fit; and

(c) if the Transfer Notice contained a Total Transfer Condition, no
allocation of Sale Shares shall be made unless all the Sale Shares are allocated.

6.10 Within 5 business days of the expiry date of the last Offer Notice, the Board shall give notice in writing (a "Sale Notice") to the Vendor and to each person to whom Sale Shares have been allocated (each a "Purchaser") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the total price payable for them.

6.11 Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice when the Vendor shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative share certificates to that Purchaser.

6.12 The Vendor may, during the period of 60 business days commencing 20 business days after the expiry date of the last Offer Notice, sell all or any of those Sale Shares for which a Sale Notice has not been given by way of bona fide sale to the proposed transferee (if any) named in the Transfer Notice or, if none was so named, to any transferee at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that if the Transfer Notice contained a Total Transfer Condition, the Vendor shall not be entitled, save with the written consent of all the other Members, to sell only some of the Sale Shares under this Article 6.12.

6.13 If a Vendor fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 6:-

(a) the Board may authorise any person (who shall be deemed to be irrevocably appointed as the attorney of that Vendor for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Vendor's behalf;

(b) the Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares;

(c) the Company shall hold such purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held;

(d) the Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it; and

(e) after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 6.13, the validity of the proceedings shall not be questioned by any
person.

6.14 If instructed to report on their opinion of Market Value under Article 6.4(b) the Valuers shall:-

(a) act as expert and not as arbiter and their written determination shall be final and binding on the Members (except in the case of manifest error); and

(b) proceed on the basis that the open market value of each Sale Share shall be the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all the Shares, divided by the number of issued Shares but taking no account of any premium or any discount by reference to the size of the holding the subject of the Transfer Notice or in relation to any restrictions on the transferability of the Sale Shares.

6.15 The Company will use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Market Value to the Board and to the Vendor within 28 days of being requested to do so.

6.16 The Valuers' fees for reporting on their opinion of the Market Value shall be paid as to one half by the Vendor and as to the other half by the Purchasers pro rata to the number of Sale Shares purchased by them unless:-

(a) the Vendor revokes the Transfer Notice pursuant to Article 6.5; or

(b) none of the Sale Shares are purchased pursuant to this Article 6,

when the Vendor shall pay all the Valuers' fees.

7 COMPULSORY TRANSFERS

7.1 In this Article 7, a "Transfer Event" occurs, in relation to any Member:-

(a) if that Member being an individual:-

(i) has a bankruptcy order made against him or is declared bankrupt by any court of competent jurisdiction; or

(ii) dies; or

(iii) suffers from mental disorder and is admitted to hospital or becomes subject to any court order referred to in Regulation 81 (c) of Table A; or

(b) if that Member makes or offers or purports to make any arrangement or composition with his creditors generally; or

(c) if that Member being a body corporate:-
(i) has a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets; or

(ii) has an administrator appointed in relation to it; or

(iii) enters into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or

(iv) has an equivalent action in respect of it taken in any jurisdiction; or

(d) subject to Article 7.7, if a Member who is at any time a director (other than an Investor Director) or employee of the Company ceases to hold such office or employment (other than by circumstances falling within Article 7.1(a) or 7.1(b)); or

(e) if a Member or any Family Member or the trustees of any Family Trust of a Member shall attempt to deal with or dispose of any Share or any interest in it otherwise than in accordance with Article 5 (Permitted Transfers), Article 6 (Voluntary Transfers) and this Article 7 (Compulsory Transfers) or in breach of Article 9 (Tag Along) or Article 10 (Prohibited Transfers); or

(f) if a Member shall for any reason not give a Transfer Notice in respect of any Shares or transfer any Shares (as the case may be) as required by Article 4.4, 5.2(c)(iii), or 5.2(d)).

7.2 Upon the giving of a notification under Article 7.1 that the same is a Transfer Event the Member in respect of whom it is a Transfer Event (the "Relevant Member") and any other Member who has acquired Shares from him under a Permitted Transfer (directly or by means of a series of two or more Permitted Transfers) shall be deemed to have immediately given a Transfer Notice in respect of all the Shares then held by such Member(s) (a "Deemed Transfer Notice"). (which expression includes a Transfer Notice given under Article 4.3, 5.2(c)(iii) or 5.2(d).

7.3 For the purpose of Articles 7.2 and 7.4, any Shares received by way of rights or on a capitalisation by any person to whom Shares may have been transferred (directly or by means of a series of two or more permitted transfers) shall also be treated as included within the Deemed Transfer Notice.

7.4 A Deemed Transfer Notice shall supersede and cancel any then current Transfer Notice insofar as it relates to the same Shares except for Shares which have then been validly transferred pursuant to that Transfer Notice.

7.5 Notwithstanding any other provision of these Articles, any Member holding Shares in respect of which a Deemed Transfer Notice is deemed given shall not be entitled to exercise any voting rights at general meetings of the
Company in respect of those Shares on and from the date of the relevant Deemed Transfer Notice until the entry in the register of members of the Company of another person as the holder of those Shares.

7.6 The Shares the subject of a Deemed Transfer Notice shall be offered for sale in accordance with Article 6 (Voluntary Transfers) as if they were Sale Shares in respect of which a Transfer Notice had been given and treating as the Vendor the person who is deemed to have given the Deemed Transfer Notice save that:-

(a) subject to Article 7.7, the Sale Price shall be a price per Sale Share agreed between the Vendor and the Board or, in default of agreement within 15 business days after the making of the notification under Article 7.1 that the same is a Transfer Event, the Market Value;

(b) a Deemed Transfer Notice shall be deemed not to contain a Total Transfer Condition and shall be irrevocable whether under Article 6.5 or otherwise;

(c) the Vendor may retain any Sale Shares for which Purchasers are not found; and

(d) the Sale Shares shall be sold together with all rights, attaching thereto as at the date of the Transfer Event, including the right to any dividend declared or payable on those Shares after that date.

7.7 The Sale Price for any Sale Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within Article 8.1(d) shall (unless the Sale Price is otherwise agreed in writing between the Board, the Relevant Member and an Investor Majority):-

(a) if the Relevant Member is a Good Leaver (as defined in Article 7.8) be the Market Value;

(b) if the Relevant Member is a Bad Leaver (as defined in Article 7.8) be as follows:-

(i) if the Relevant Member ceases to hold office or employment within one year of the Completion Date the lower of the Market Value and the nominal value of the Sale Shares;

(ii) if the Relevant Member ceases to hold office or employment on or after the first anniversary of the Completion Date but before the second anniversary of the Completion Date their Market Value less a discount of 65%;

(iii) if the Relevant Member ceases to hold office or employment on or after the second anniversary of the Completion Date but before the third anniversary of the Completion Date their Market Value less a discount of 35%; and
(iv) if the Relevant Member ceases to hold office or employment on or after the third anniversary of the Completion Date their Market Value.

7.8 In Article 7.7:

(a) "Good Leaver" means a Relevant Member who ceases to be a director or employee (other than a person who has been declared bankrupt) as a result of:-

(i) death, illness (including mental illness), permanent disability, permanent incapacity through ill-health;

(ii) termination by reason of redundancy;

(iii) wrongful dismissal; or

(iv) in circumstances where he has been dismissed from employment and such dismissal is found to have been unfair by any industrial tribunal or any appellate body thereof.

(b) "Bad Leaver" refers to any Relevant Member (other than a Good Leaver) who for any reason and in any circumstances ceases to hold either such office and following which is a Relevant Member in respect of whom a Transfer Event occurs.

7.9 For the purpose of Article 7.1 (d), the date upon which a Member ceases to hold office as an employee shall:-

(a) where the employer terminates or purports to terminate a contract of employment by giving notice to the employee of the termination of the employment, (whether or not the same constitutes a wrongful or unfair dismissal), be the date of that notice or, if later, the date (if any) for the termination expressly stated in such notice (whether or not a payment is made by the employer in lieu of all or part of the notice period required to be given by the employer in respect of such termination);

(b) where the employee terminates or purports to terminate a contract of employment by giving notice to the employer of the termination of the employment (whether or not he is lawfully able so to do), be the date of that notice;

(c) subject to Article 7.9(a) and 7.9(b), where an employer or employee wrongfully repudiates the contract of employment and the other respectively accepts that the contract of employment has been terminated, be the date of such acceptance by the employee or employer respectively;

(d) where a contract of employment is terminated under the doctrine of
frustration, be the date of the frustrating event; and

(e) where a contract of employment is terminated for any reason other than in the circumstances set out in Article 7.9(a) to (d) (inclusive) be the date on which the action or event giving rise to the termination occurs.

7.10 Once a Deemed Transfer Notice shall under these Articles be deemed to have been served in respect of any Share then, except as permitted by Article 5.4 no permitted transfer under Article 5 (Permitted Transfers) may be made in respect of such Share unless and until an Offer Notice shall have been served in respect of such Share and the period of allocation permitted under Article 6 (Voluntary Transfers) shall have expired without such allocation.

8 PULL ALONG

8.1 Subject to Article 8.2, if anyone or more Members holding at least 70% of the Shares (together the "Selling Shareholders") wish to transfer all their Shares (the "Relevant Shares"), the Selling Shareholders shall have the option (the "Pull Option") to require all the other holders of Shares to transfer all their Shares free from all liens, charges or encumbrances to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 8.

8.2 The Selling Shareholders may exercise the Pull Option by giving notice to that effect (a "Pull Notice") to all other Shareholders (the "Pulled Shareholders") at any time before the registration of the transfer of Shares resulting in the Change of Control. A Pull Notice shall specify that the Pulled Shareholders are required to transfer all their Shares (the "Pulled Shares") pursuant to Article 8.1 to the Third Party Purchaser, the price at which the Pulled Shares are to be transferred (determined in accordance with Article 8.4) the proposed date of transfer and the identity of the Third Party Purchaser.

8.3 A Pull Notice is irrevocable but the Pull Notice and all obligations thereunder will lapse if for any reason there is not a Change of Control caused by a transfer of Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of the Pull Notice.

8.4 The Pulled Shareholders shall be obliged to sell the Pulled Shares at the price specified in the Pull Notice which shall attribute an equal value to all Shares (including the Relevant Shares).

8.5 Completion of the sale of the Pulled Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares unless:-

(a) all of the Pulled Shareholders and the Selling Shareholders agree otherwise; or

(b) that date is less than 7 days after the date of the Pull Notice, when it shall be deferred until the 7th day after the date of the Pull Notice.
Each of the Pulled Shareholders shall on service of the Pull Notice be deemed to have irrevocably appointed each of the Selling Shareholders severally to be his attorney to execute any stock transfer and to do such other things as may be necessary or desirable to accept, transfer and complete the sale of the Pulled Shares pursuant to this Article 8.

Save as aforesaid the provisions of this Article 8 shall prevail over any contrary provisions of these Articles including rights of pre-emption and other restrictions contained in these Articles which shall not apply on any sale and transfer of Shares to the Third Party Purchaser named in a Pull Notice. Any Transfer Notice or Deemed Transfer Notice served in respect of any Share shall automatically be revoked by the service of a Pull Notice.

9 T A G A L O N G

9.1 Subject to Article 8 (Pull Along) but notwithstanding any other provision in these Articles no sale or transfer or other disposition of any interest in any Share (the "Specified Shares") shall have any effect if it would result in a Change of Control unless before the transfer is lodged for registration the Third Party Purchaser has made a bona fide offer in accordance with these Articles to purchase at the Specified Price (defined in Article 9.3), all the Shares held by Members who are not acting in concert or otherwise connected with the Third Party Purchaser (the "Uncommitted Shares").

9.2 An offer made under Article 9.1 shall be in writing, given in accordance with Article 18, open for acceptance for at least 21 days, and shall be deemed to be rejected by any Member who has not accepted it in accordance with its terms within the time period prescribed for acceptance and the consideration thereunder shall be settled in full on completion of the purchase and within 30 days of the date of the offer.

9.3 For the purposes of this Article 9:-

(a) the expression "transfer", "transferor" and "transferee" include respectively the renunciation of a renounceable letter of allotment, and any renouncer and renoncee of such letter of allotment; and

(b) the expression "Specified Price" means in the case of Uncommitted Shares, the higher of:

(i) a price per share at least equal to the highest price paid or payable by the Third Party Purchaser or persons acting in concert with him or connected with him for any Shares within the last six months (including to avoid doubt the Specified Shares) plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or
payable for the Specified Shares provided always that an equal value shall be attributed to all Shares including the Specified Shares; and

(ii) a price per share equal to the Issue Price thereof plus a sum equal to any arrears or accruals of the dividends on that Share if such Share is sold with such dividend grossed up to reflect the tax credit payable in respect of such dividend if paid at that date calculated down to the date the transfer is completed.

(c) If any part of the Specified Price is payable otherwise than in cash, any Member may require, as a condition of his acceptance of the offer, to receive in cash on transfer all or any of the price offered for his Uncommitted Shares.

(d) If the Specified Price or its cash equivalent cannot be agreed between the Third Party Purchaser and Members holding 75 per cent of the Shares (excluding the Third Party Purchaser and persons acting in concert or otherwise connected with him), within 21 days of the proposed sale or transfer referred to in Article 9.1 it may be referred to the Valuers by any Member and, pending its determination, the sale or transfer referred to in Article 9.1 shall have no effect.

10 PROHIBITED TRANSFERS

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

11 GENERAL MEETINGS

11.1 The Board shall procure that the annual general meeting in respect of each financial year shall be convened to take place not later than 42 days after the date of the auditors' report contained in the accounts of the Company for the relevant financial year and that the accounts and report shall be laid thereat.

11.2 Notice of a general meeting need not be given to any director in that capacity. Regulation 38 shall be modified accordingly.

12 PROCEEDINGS AT GENERAL MEETINGS

12.1 The Chairman shall not be entitled to exercise any second or casting vote at any general meeting. Regulation 50 shall not apply.

12.2 A director shall not be required to hold any share qualification, but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares in the capital of the Company.
12.3 If a meeting is adjourned under Regulation 41 because a quorum is not present, and at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall form a quorum, and Regulation 41 shall be modified accordingly.

12.4 Regulation 62 shall be modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to" and by the insertion at the end of the regulation after the word "invalid" of the words "unless a majority of the Board resolve otherwise".

13 NUMBER OF DIRECTORS

The number of directors shall not be less than two and there shall be no maximum number. Regulation 64 shall not apply.

14 ALTERNATE DIRECTORS

14.1 Any director (other than an alternate director) may appoint any person (whether or not a director) to be an alternate director, and may remove from office an alternate director appointed by him.

14.2 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of directors of which his appointor is a Member, to attend and vote on such meetings at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence.

14.3 An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any fee in his capacity of an alternate director except such part (if any) of the remuneration otherwise payable to the director appointing him as an alternate director may by notice in writing to the Company from time to time direct.

14.4 The words "approved by resolution of the directors and" in Regulation 65 shall not apply to an appointment of an alternate director.

14.5 A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.

14.6 If an alternate director is himself a director or attends any meeting as an alternate director for more than one director, his voting rights shall be cumulative but he shall only be counted once in deciding whether a quorum is present.

15 PROCEEDINGS OF DIRECTORS

15.1 The quorum for the transaction of business of the Board or any committee of the Board shall be two directors.
15.2 Any director or his alternate may validly participate in a meeting of the Board or a committee of the Board by conference telephone or other form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no group which is larger than any other group, where the chairman of the meeting is.

15.3 The Chairman of the Board shall not have a second or casting vote at a meeting of the Board.

15.4 A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract (within the meaning of section 317 of the Act) with the Company shall declare the nature of his interest at a meeting of the Board or of any committee of the Board in accordance with that section. Subject where applicable to such disclosure a director may vote at any such meeting on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Provided always that a director on any remuneration committee may not at a meeting of such committee vote on any item concerning his own office, remuneration or benefits or in which he has a direct interest nor be counted in determining the quorum on such matter. Regulations 94 and 95 shall not apply.

15.5 director who is absent from the United Kingdom or who is not resident in the United Kingdom shall be entitled to receive notice of a meeting, provided that director has given the Company an address outside the United Kingdom. Regulation 88 shall be modified accordingly.

16 APPOINTMENT AND RETIREMENT OF DIRECTORS

16.1 For as long as any Investor remains a Member of the Company, the Investors shall be entitled to appoint one person willing to act to be a director of the Company and the right to appoint shall carry the corresponding right to remove the appointee and appoint another person in his place. Upon a written request by any of the Investors, the Company shall exercise its available rights to procure that a director appointed in terms of this Article be appointed a director to any subsidiary of the Company.

16.2 Directors shall not be required to retire by rotation. Regulations 73 to 77, the second and third sentences of regulation 79, regulation 80 and the last sentence of Regulation 84 shall not apply.

16.3 The office of a director (other than Investor Director) shall be vacated if both:

(a) (being an executive director of the Company) he ceases to hold office as an employee within the meaning of Article 8.10 of the Company;
and

(b) a majority of the Board so requires.

Regulation 81 shall be extended accordingly. Paragraph (e) of Regulation 81 shall not apply to an Investor Director.

17 NOTICES

17.1 Any notice to be given to the Company pursuant to these Articles shall be sent by post to the registered office of the Company or presented at a meeting of the Board or shall be given using electronic communications to an address for the time being notified for that purpose by the Company.

17.2 Any notice to be given pursuant to these Articles may be given by facsimile transmission to the facsimile number maintained at the relevant address of the addressee. Such a notice shall be conclusively deemed to have been properly given at the time shown on the transmission report received by the sender.

17.3 The figure "24" shall be inserted in substitution for the figure "48" in the third sentence of Regulation 115. Any notice or other document delivered or left at a registered address otherwise than by post or electronic communication shall be deemed to have been served or delivered on the day it was so delivered or left.

17.4 A Member whose registered address is not within the United Kingdom shall be entitled to receive notices at such address and such notices shall be sent to the Member by airmail. Notices sent overseas shall be deemed to be given at the expiry of a period of 5 days after the envelope containing it was posted. Regulations 112 and 115 of Table A shall be modified accordingly.

18 INDEMNITY

18.1 Subject to the provisions of the Act, but without prejudice to any other indemnity to which the person concerned may otherwise be entitled, every director, alternate director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities reasonably incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation thereto. Regulation 118 shall be extended accordingly.

18.2 The Directors may exercise all the powers of the Company to purchase and maintain for every director or other officer insurance against any liability for negligence, default, breach of duty or breach of trust or any other liability which may be lawfully insured against.

19 SHARE CERTIFICATES ETC

The Company may execute any share certificate, warrant or other document creating or evidencing any security allotted by the Company or any right or
option to subscribe granted by the Company under the hand of two Directors or any one Director and the Company Secretary. Regulation 6 of Table A shall be extended accordingly.

20 APPROVALS

20.1 Where the approval, agreement or consent of any member or Director is required under any provision of these Articles to any particular matter, such approval, agreement or consent may be given subject to such terms and conditions as that member or Director may require and any breach of such terms and conditions shall ipso facto be deemed to be a breach of these Articles.

20.2 Any approval, agreement or consent intimated by any member or Director by electronic mail shall be deemed written approval, agreement or consent for the purposes of these Articles.