

Company number 05316252

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

ECONIX LIMITED

(the "Company")



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11/11/2008

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COMPANIES HOUSE

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 ("the Act") the directors of the Company propose that resolution 1 is passed as a special resolution ("the Resolution")

Written Resolution

New Articles of Association

1. **THAT** the regulations set forth in the document produced to the Board meeting on 28 October 2008 and signed by the Chairman for the purposes of identification be adopted as the articles of association of the Company, in place of and to the exclusion of its existing articles of association

AGREEMENT

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

The undersigned, a person entitled to vote on the Resolution on 28 October 2008, hereby irrevocably agrees to the Resolution

Signed by Mark Bernstein

M. S. Bernstein

Date

28/10/2008

NOTES

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

- **By Hand** delivering the signed copy to Nic Wood at Econix Limited, 26 President Building, President Way, Sheffield, South Yorkshire, S4 7UR
- **Post** returning the signed copy by post to Nic Wood at Econix Limited, 26 President Building, President Way, Sheffield, South Yorkshire, S4 7UR
- **Fax** faxing the signed copy to +44 (0) 114 278 7089 marked "For the attention of Nic Wood"
- **E-mail** by attaching a scanned copy of the signed document to an e-mail and sending it to nic@econix.co.uk Please enter "Written resolutions dated October 2008" in the e-mail subject box

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

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

3 Unless, by November 2008, sufficient agreement has been received for the Resolutions to pass, it will lapse If you agree to the Resolution, please ensure that your agreement reaches us before or during this date

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

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

THE COMPANIES ACTS 1985, 1989 AND 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ECONIX LIMITED

(Company Number 05316252)

(Adopted by special resolution passed on 28 OCTOBER 2008)

1 PRELIMINARY

In these Articles -

"Act"	means the Companies Act 1985 or to the extent that it is in force and has amended or replaced the relevant section of the Companies Act 1985, the Companies Act 2006 including any statutory modification or re-enactment thereof for the time being in force
"Bad Leaver"	means an Employee Member, who ceases to be a director or employee of the Company where such cessation occurs for one of the following reasons - (a) gross misconduct, (b) fraud
"Board"	means the board of directors of the Company or any duly appointed committee thereof
"Business Day"	means 9 00 am to 5 00 pm on any day (other than a Saturday) on which clearing banks in the City of London are open for the transaction of normal sterling banking business
"Chairman"	means the non-executive chairman from time to time of the Board
"Change of Control"	means the obtaining of Control by any person or group of Related Parties who did not previously hold Control
"Control"	means the holding and/or possession of, the beneficial interest in, shares or other securities of the Company which represent more than 50 per cent of the issued share capital of the Company for the time being or which confer in aggregate on the holders thereof more than 50 per cent of the total voting rights exercisable at general meetings of

	the Company on all, or substantially all, matters
"Directors"	means the directors of the Company from time to time
"Employee Members"	means Employees or any Directors who are Shareholders and "Employee Member" shall be construed accordingly
"Employees"	means individuals employed by the Company from time to time
"Fund"	means Yorkshire and Humber Equity Fund No 1 LP and South Yorkshire Capital Investment Fund LP
"Fund Approval"	means the prior written approval of the Fund which approval may be given by the Fund Director in writing or orally at a Board Meeting provided that the same is recorded in the minutes of the relevant Board meeting
"Fund Director"	means the director of the Company appointed from time to time by the Fund pursuant to Article 14.3
"Good Leaver"	means an Employee Member who ceases to be a director or employee of the Company and who is not a Bad Leaver
"Group"	means in relation to any body corporate, that body corporate, any subsidiaries or holding companies of that body corporate and any subsidiaries of such holding companies
"Independent Accounting Expert"	means a leading firm of international accountants (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales
"Investment Fund"	means a fund, partnership, company, investment trust, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager
"Investment Manager"	means a person whose principal business is to make, manage or advise upon investments
"MB Exit Option"	means the "superbonus" option in an agreement made between Mark Bernstein and the Company dated 1 March 2008 as amended by a side letter dated [] 2008
"Offeror"	means a person or group of Related Parties making an offer to acquire shares in the Company from any Shareholder
"Ordinary Shares" or "Shares"	means ordinary shares of £0.01 (one penny) each in the capital of the Company
"Proposing Transferee"	means a person proposing to acquire shares in the Company
"Proposing Transferor"	means a person proposing to dispose of shares in the Company

"Related Parties"

means any person with whom any relevant person

- (a) is connected (as determined in accordance with the provisions of section 839 of the Income and Corporation Taxes Act 1988),
- (b) has an agreement or arrangement (whether legally enforceable or not and whether or not in writing) whereby voting rights attaching to shares in the capital of the Company are to be exercised in accordance with that relevant person's instructions (whether given directly or through any other person), and/or
- (c) is an associate of such person or any person controlled by or connected with such person

"Security Interest"

means any security interest of any kind whatsoever, howsoever created or arising, including (without limitation) a mortgage, charge, pledge, lien (other than a lien arising by operation of law), hypothecation, restriction, right of set-off or encumbrance including any analogous security interest under local law

"Shareholders"

means the registered holder of Shares and **"Shareholder"** shall be construed accordingly

"SYIF"

South Yorkshire Capital Investment Fund LP

"Table A"

means Table A in the Companies (Tables A - F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendment) Regulations 1985

"Vendor"

means the Good Leaver or Bad Leaver in question or, as the case may be, the personal representative (or transferee) of a deceased Shareholder or a trustee in bankruptcy of a bankrupt Shareholder

"voting rights"

shall be construed in accordance with section 1159(3) and Schedule 6 of the Companies Act 2006

"YHEF"

Yorkshire & Humber Equity Fund No 1 LP

1 2 The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied hereby or are inconsistent herewith and such regulations (save as so excluded varied or inconsistent) and the Articles hereinafter contained shall be the regulations of the Company

1 3 Regulations 54, 73-77 and 79-80 (inclusive), 85, 86, 94-98 (inclusive) and 118, and the last sentence of regulation 112, of Table A do not apply to the Company

2. SHARE CAPITAL

2 1 The share capital of the company is £100,000 divided into 10,000,000 Ordinary Shares

2 2 On a return of assets on liquidation or capital reduction or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows -

2 2 1 first in paying to the holders of the Ordinary Shares the sum paid up on each such Share (including, to the applicable holders, any premium paid on any share),

2 2 2 the balance of such assets shall be distributed amongst the holders of the Ordinary Shares by reference to the number of Ordinary Shares held by them

3. LIEN

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

4 CALLS

The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment"

5 ANTI-DILUTION

5 1 If the MB Exit Option is exercised then, simultaneously with the issue of shares to Mr Bernstein, the Company shall, unless and to the extent that they have specifically waived their rights under this Article in writing, offer (such offer, unless waived, to remain open for acceptance for not less than 10 Business Days) to each of YHEF (or its nominee) and SYIF (or its nominee) (the Exercising Investor) the right to receive the number of new Ordinary Shares set out below, subject to adjustment as certified in accordance with Article 5 3 (the Anti-Dilution Shares)

i YHEF – 55

ii SYIF – 83

5 2 The Anti-Dilution Shares shall

5 2 1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that this is impossible or unlawful or the Exercising Investor agrees otherwise, in which event the Exercising Investor shall be entitled to subscribe for the Anti-Dilution Shares in cash at par, and

5 2 2 subject to the payment of any cash payable pursuant to Article 5 2 1 (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Ordinary Shares, within 10 Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 5 2 1

5 3 In the event of any Issue or Reorganisation the number of Anti-Dilution Shares to be offered to each of YHEF and SYIF shall be subject to adjustment on such basis as may be agreed by the Company with YHEF and SYIF within 10 Business Days after any Issue or Reorganisation to ensure that, after such Issue or Reorganisation, the effect of the issue of Anti-Dilution Shares would be to leave YHEF and/or SYIF with the same percentage holding of the Company's issued share capital as if the issue of Anti-Dilution Shares had taken place prior to such Issue or Reorganisation. If the Company, YHEF and SYIF cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company

5 4 In this Article 5, Issue or Reorganisation means any return of capital, issue of shares or other securities of the Company by way of capitalisation of profits or reserves or any consolidation or sub-division or any repurchase or redemption of shares

6. ISSUES OF SHARES

6 1 The pre-emption provision of sub-section (1) of section 89 and sub-section (1) to (6) of section 90 of the Act shall not apply to any allotment of the Company's equity securities No Shares may be issued without Fund Approval

7. TRANSFER OF SHARES

7 1 No member may transfer any share except in accordance with Articles 8 (Permitted Transfers), 10 (Mandatory Transfers), and 12 (Drag Along Rights) without Fund Approval and any purported transfer in breach of this Article 7 shall be of no effect

7 2 References in Article 7 1 to a transfer of any share include a transfer or grant of any interest in any share or of any right attaching to any share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also include an agreement to make any such transfer or grant or to exercise the voting rights attaching to a share at the direction of any third party

7 3 The directors shall refuse to register a transfer of shares prohibited by or not effected in accordance with these Articles, and a transfer of shares to a minor, a bankrupt or a person of unsound mind

7 4 Unless pursuant to these Articles the directors have an express discretion or are obliged to refuse to register the transfer of any share, the directors shall register any transfer permitted by or effected in accordance with these Articles within 30 days of the following being lodged at the registered office of the Company or such other place as the directors may appoint

- the duly stamped transfer,
- the certificate(s) for the shares to which the transfer relates or an indemnity in lieu of the certificate(s) in a form reasonably satisfactory to the directors, and
- evidence that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of any shareholders' agreement then in force with effect from the date of the transfer

7 6 A person becoming entitled to a share by transmission may, upon such evidence being produced as the directors may properly require, elect by notice to the Company to become the holder of that share but shall have no right to have any person nominated by him registered as the transferee

7 7 Regulations 24, 26 and 30 shall not apply

8. PERMITTED TRANSFERS

8 1 A transfer of any Share may be made at any time and regardless of the consideration for the transfer in the following cases

8 1 1 a transfer of shares held by the Fund or the Fund's Investment Manager on its behalf to

- (a) any participant or partner in or member of the Fund (but only in connection with the dissolution of the Fund or any distribution of assets of the Fund pursuant to the operation of the Fund in the ordinary course), or

- (b) any other Investment Fund whose business is managed by the same Investment Manager as manages the Fund , or
- (c) the Investment Manager who manages the business of the Fund

9 PRE-EMPTION ON THE TRANSFER OF SHARES

9 1 Once he has procured Fund Approval a member who wishes to transfer the entire legal and beneficial interest in any shares registered in his name, other than pursuant to Articles 8 (Permitted Transfers), 10 (Mandatory Transfers), 11 (Tag Along Rights) and 12 (Drag Along Rights) shall first give a Sale Notice to the Company

9 2 The Sale Notice shall specify

- 9 2 1 the number of Sale Shares,
- 9 2 2 a cash price per share at which the Sale Shares are offered for sale,
- 9 2 3 whether any third party has indicated a willingness to buy any of the Sale Shares within the period of 3 months prior to the date of the Sale Notice and if so, the number of shares concerned and the date of that indication,
- 9 2 4 the identity of any such third party and (if it is a company) the person(s) believed by the Seller to control that company, and
- 9 2 5 a summary of the terms of purchase put forward by any such third party, including, without limitation, details of the nature and amount of the consideration and the date on which it would be payable

The Sale Notice shall also state whether or not the Seller's offer is conditional on acceptances being received for all (or any other specified percentage) of the Sale Shares, but may not otherwise be conditional

9 3 The Sale Notice shall not be revocable except with the consent of the directors, and shall constitute the Company the agent of the Seller for the sale of the entire legal and beneficial interest in the Sale Shares to all members on the date of the Sale Notice (other than the Seller and any Connected Person of the Seller and any member deemed to give or to have given a Compulsory Transfer Notice and any member who has given a Sale Notice in respect of all shares registered in his name) in accordance with this Article 9 at the Sale Price. If the Sale Price is specified by the Seller, pursuant to Article 9 2 2, to be the fair value as determined by the Independent Accounting Expert under Article 9 13 the Company shall require the Independent Expert to make that determination as soon as reasonably practicable after the Sale Notice is given

9 4 Promptly after the Sale Notice is received or, where the Sale Price is certified by the Independent Accounting Expert pursuant to Article 9 13, promptly after that certificate is received the Directors shall send a copy of the Sale Notice to each person to whom the Sale Shares are to be offered ("applicant"), being

- firstly to the holders of all classes of shares, pro rata in accordance with their shareholdings, and
- secondly, if any such shareholder declines to purchase the shares, to the other shareholders of all classes who have accepted the offer in respect of all of the shares offered to them,

Each applicant shall have the right to buy Sale Shares at the Sale Price by giving an Acceptance Notice (with a copy to the Seller) within 30 days of receipt of the Sale Notice specifying the number of Sale Shares applied for. In the event that an applicant gives no Acceptance Notice within that 30 days' period, it shall be deemed to have declined the offer made to it

9 5 Each Acceptance Notice shall be irrevocable, and shall give rise to a legally binding agreement between the applicant giving it and the Seller. That agreement shall be conditional upon acceptances being received for all or any other specified percentage of the Sale Shares only if so provided by the Sale Notice, but shall not otherwise be conditional. Under each such agreement, the relevant applicant shall be bound to buy, and the Seller shall be bound to sell, a number of Sale Shares determined in accordance with the provisions of Articles 9 7 and 9 8. If the aggregate number of Sale

Shares so to be sold does not satisfy any acceptance condition contained in the Sale Notice, each agreement to which an Acceptance Notice gives rise shall immediately lapse

- 9 6 The Sale Shares shall be sold free from all charges, liens and encumbrances and otherwise with full title guarantee, at the Sale Price, and together with all rights attaching to the Sale Shares on or after the date of the Sale Notice, including the right to receive dividends and the right to be sold or allotted any other shares by virtue of the holding of any of the Sale Shares
- 9 7 Each applicant giving an Acceptance Notice shall be allocated the number of Sale Shares applied for in that Acceptance Notice, except where the aggregate number of Sale Shares applied for by all applicants to whom the offer is made exceeds the number of Sale Shares. In those circumstances, the Sale Shares shall be allocated to the applicant in proportion to the number of Ordinary Shares held by them, provided that no applicant shall be allocated more Sale Shares than it has applied for, and any Sale Shares which cannot therefore be allocated to any applicant shall be allocated to the other applicants on the basis set out above until all Sale Shares are allocated. Fractional entitlements to Sale Shares shall be ignored
- 9 8 Fractions of shares which would otherwise be allocated to applicants pursuant to Article 9 7 shall be consolidated and allocated by the drawing of lots in any manner thought appropriate by the directors, provided that no applicant shall be allocated more shares than it has applied for. For the purposes of Article 9 3, a person to whom shares have been allotted but who has not been registered as the holder of those shares on the date of the Sale Notice shall be deemed to be a member of the Company and to hold those shares on that date
- 9 9 The Company shall specify by notice to the relevant applicants a time and place for completion of the sale and purchase of the Sale Shares, being not less than 3 and not more than 14 days after the date of receipt of the final Acceptance Notice. Completion of that sale and purchase shall take place at the time and place specified in the Company's notice, when
- 9 9 1 each applicant shall pay the Seller in cash the purchase price for the Sale Shares bought by that applicant, and
- 9 9 2 the Seller shall deliver to each such applicant a transfer in respect of the Sale Shares bought by it, duly executed in its favour by the Seller, together with the certificate(s) for the Sale Shares or an indemnity in lieu of the certificate(s) in a form satisfactory to the directors
- 9 10 As security for the performance by the Seller of its obligations under Article 9 9 2, the Seller shall be deemed, on giving the Sale Notice, to appoint any director as its duly authorised agent to complete, execute and deliver a transfer of the Sale Shares pursuant to Article 9 9 2 and to give a good discharge for the purchase money. That money shall be held on trust by the Company for the Seller (without any obligation to account for interest on it) until the share certificate(s) or indemnity referred to in Article 9 9 2 is delivered to the Company
- 9 11 If in respect of all or any Sale Shares the Seller's offer lapses, or is declined or deemed declined by all the applicants to whom it is made, then the directors shall promptly give written notice to the Seller specifying the number of Sale Shares concerned. The Seller shall then be entitled, in pursuance of a bona fide sale, and subject to Article 7 3, to transfer the entire legal and beneficial interest in any of those Sale Shares or (if the Sale Notice stated that the Seller's offer was conditional on acceptances being received for all or any other specified percentage of the Sale Shares) not less than all or that specified percentage of the Sale Shares, to the buyer(s) (if any) named in the Sale Notice or (if no buyer(s) were named in the Sale Notice) to any person, in accordance with, and within the period referred to in, Article 9 12
- 9 12 The consideration per share payable on a transfer of Sale Shares pursuant to Article 8 11 (after allowing for any deduction, rebate or allowance to the buyer other than one equal to any dividend or distribution declared, paid or made after the date of the Sale Notice and which is not to be received by the buyer)

9 12 1 (where the Sale Shares are being sold solely for a consideration which is payable in cash, including by means of a loan note) shall be not less than the Sale Price, or

9 12 2 (in any other case) shall have a value which before that transfer is made shall have been agreed or determined under Article 9 14 to be not less than the Sale Price

The relevant transfer(s) shall be lodged for registration during the period of 45 days starting on the date of the directors' notice under Article 9 11 or, if applicable, on the date of any agreement or determination under Article 9 14

9 13 The price for each Sale Share shall be the price which the Independent Accounting Expert shall certify to be in his opinion a fair value of a Sale Share and in arriving at his opinion as to the fair value of each Sale Share the Independent Accounting Expert will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest (or, where applicable, that they are non-voting) and on the assumption that the Sale Shares are capable of transfer without restriction The decision of the Independent Accounting Expert as to the fair value shall be final and binding The costs of the Independent Accounting Expert shall be borne by the Vendor

9 14 If the Sale Shares are not being sold solely for a consideration which is immediately payable in cash, then the value of that consideration shall be determined by the Independent Accounting Expert unless agreed between the Seller and the directors before the date falling 7 days after the date of the directors' notice under Article 9 11

9 15 The Independent Accounting Expert shall act as experts and not as arbitrators, their decision shall, save in the case of manifest error, be final and binding on all the members, and their costs shall be borne by the Company The Company shall ensure that details of any agreement or determination under Articles 9 13 and 9 14 are promptly supplied to each member

10 MANDATORY TRANSFERS

10 1 Good or Bad Leavers

10 1 1 If an Employee Member is a Bad Leaver then the Company (as agent) shall, as soon as reasonably practicable, offer for sale in accordance with this Article 9 all Shares then held by the Shareholder in question (the "Sale Shares") For the avoidance of doubt the Board may exercise its discretion and permit a Bad Leaver to be classified as a Good Leaver

10 1 2 Subject to Article 10 1 5 if the Employee Member is a Good Leaver and leaves the Company before the later of first anniversary of the date of adoption of these Articles or the first anniversary of the date of first acquisition of Shares by the Employee Member then the Company (as agent) shall as soon as reasonably practicable offer for sale in accordance with this Article 10 all Shares then held by the Employee Member in question (the "Sale Shares")

10 1 3 Subject to Article 10 1 5 if the Employee Member is a Good Leaver and leaves the Company after the first anniversary but before the second anniversary of the date of adoption of these Articles or if later after the first anniversary but before the second anniversary of the date of first acquisition of Shares by the Employee Member then the Company (as agent) shall as soon reasonably practicable offer for sale 66% of the Shares held by the Shareholder in question (the "Sale Shares")

10 1 4 Subject to Article 10 1 5 if the Employee Member is a Good Leaver and leaves the Company after the second anniversary but before the third anniversary of the date of adoption of these Articles or if later after the second anniversary but before the third anniversary of the date of first acquisition of Shares by the Employee Member then the Company (as agent) shall as soon reasonably practicable offer for sale 33% of the Shares held by the Employee Member in question (the "Sale Shares")

10 1 5 If an Employee Member, dies (the "deceased member") then the Company and the Shareholders shall use their respective reasonable endeavours to procure that the personal representative of the deceased member shall immediately transfer all shares then held by the deceased member in accordance with the deceased member's wishes to the person designated by the deceased member to be the recipient of his Shares (the "transferee") If the Shareholder dies

10 1 5 1 before the later of first anniversary of the date of adoption of these Articles or the first anniversary of the date of first acquisition of Shares by the Employee Member then the transferee shall offer for sale all Shares then held by the Shareholder in question (the "Sale Shares"), or

10 1 5 2 after the first anniversary but before the second anniversary of the date of adoption of these Articles or if later after the first anniversary but before the second anniversary of the date of first acquisition of Shares by the Employee Member then the transferee shall offer for sale 66% of the Shares held by the Shareholder in question (the "Sale Shares"), or

10 1 5 3 after the second anniversary but before the third anniversary of the date of adoption of these Articles or if later after the second anniversary but before the third anniversary of the date of first acquisition of Shares by the Employee Member then the Company (as agent) shall offer for sale 33% of the Shares held by the Shareholder in question (the "Sale Shares")

in accordance with the remaining applicable Articles of Article 10 within a period of two years from the date of the deceased member's death and, in the event that the transferee has not offered the Sale Shares within that two year period, then the transferee shall be deemed to be a Good Leaver and the provisions of Articles 10 1 2 to 10 1 4 (and of the remaining applicable Articles of this Article 10) shall apply If the transferee, or any subsequent recipient of any or all of the Sale Shares pursuant to this Article 10 1 5, dies within a period of two years from the date of the deceased member's death, the provisions of this Article 10 1 5 will apply, mutatis mutandis, to the shares then held by the transferee or subsequent recipient

10 2 **Mandatory transfer on bankruptcy**

If an Employee Member becomes bankrupt, then the Company (as agent) shall offer for sale in accordance with this Article 10 all shares then held by the Employee Member (or by the trustee in bankruptcy) in question (the "Sale Shares" and each such share, a "Sale Share")

10 3 **Calculation of the Sale Price**

10 3 1 The price for each Sale Share (the "Sale Price") shall be -

10 3 1 1 (in the case of a Good Leaver) the price which the Independent Accounting Expert shall certify to be in his opinion a fair value of a Sale Share, and

10 3 1 2 (in the case of a Bad Leaver) the lesser of the acquisition price of a Sale Share and the price which the Independent Accounting Expert shall certify to be in his opinion a fair value of a Sale Share

10 3 2 In arriving at his opinion as to the fair value of each Sale Share the Independent Accounting Expert will value the Sale Shares on a going concern basis as between a willing seller and a willing buyer ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest (or, where applicable, that they are non-voting) and on the assumption that the Sale Shares are capable of transfer without restriction The decision of the Independent Accounting Expert as to the fair value shall be final and binding The costs of the Independent Accounting Expert shall be borne by the Vendor

10 4 **Pre-emptive offer**

Once the Sale Price has been determined the Sale Shares shall be offered for sale as set out below. All offers made by the Company shall give details of the number and Sale Price of the Sale Shares. None of the Sale Shares shall be offered for sale to the Vendor and the provisions of this Article 10.4 shall be construed accordingly.

10.5 Offer Period

The Sale Shares shall be forthwith offered for sale to the other Shareholders pro rata as nearly as may be to the respective numbers of Shares held by such members.

Any offer made by the Company under this Article 10.5 will invite the relevant members to state in writing whether they wish to purchase the Sale Shares offered to them, and if so to state also the maximum number of further Sale Shares they would be willing to purchase, and will remain open for twenty one days (the "Offer Period").

If at the end of the Offer Period there are any Sale Shares offered to members which any offeree members have not indicated a wish to purchase ("Excess Shares") then the Company shall allocate such Excess Shares to members who indicated a willingness to purchase further Sale Shares. If there are insufficient Excess Shares to allocate to each offeree member who indicated a willingness to purchase further Sale Shares, then the Board will allocate the Sale Shares pro rata as nearly as may be in proportion to the number of further Sale Shares that each accepting member indicated a willingness to purchase.

10.6 Transfer procedure

If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this Article 10 (such Sale Shares for which the Company finds a purchaser or purchasers, the "Purchased Sale Shares") the Vendor shall be bound upon receipt by the Company of the Sale Price in respect of the Purchased Sale Shares (and the Company shall give a good discharge for that Sale Price on behalf of the Vendor) to transfer the Purchased Sale Shares to such persons and the Company shall then be bound to deliver up the Sale Price in respect of the Purchased Sale Shares to the Vendor against delivery by the Vendor of his certificate for the Purchased Sale Shares and the transfer(s) of the Sale Shares executed by the Vendor. If the Vendor defaults in transferring the Purchased Sale Shares the Company shall authorise some person to execute transfers of the Purchased Sale Shares in favour of the purchasers and shall (subject to stamping the transfers of the Purchased Sale Shares) enter the names of the purchasers in the Register of Members as the holder of such of the Purchased Sale Shares as shall have been transferred to them as aforesaid.

For the avoidance of doubt, in the event that a Shareholder fails (or Shareholders fail) to send to the Company any of his or its (or their) proportion of the Sale Price (in respect of Sale Shares for which they have, in response to an offer from the Company, indicated a willingness to purchase) within 10 Business Days of the end of the Offer Period -

10.6.1 the provisions set out above in this Article 10.6 shall apply in respect of that proportion of the Sale Shares for which the Company has received the Sale Price within that 10 Business Day period,

10.6.2 the provisions of Articles 10.4 to 10.6 shall apply mutatis mutandis to the remaining Sale Shares (but so that in applying the aforementioned Articles in that manner) none of the remaining Sale Shares shall be offered to any defaulting Shareholder referred to above.

10.7 Transfers free of pre-emption

If the Company does not find purchasers for all of the Sale Shares under the terms of this Article 9 then the Vendor shall at any time within three months after the offer by the Company to its members be free to sell and transfer such of the Sale Shares for which purchasers have not been so found, to any person at a price per Ordinary Shares which is no less than the Sale Price.

11 TAG ALONG RIGHTS

- 11 1 No sale or transfer (other than a Permitted Transfer) of the legal or beneficial interest in any Shares may be made or validly registered if a Change of Control would result from such sale or transfer unless Fund Approval has been obtained and the Proposing Transferee has offered to purchase all the issued Shares for a sum in cash equal to the highest price per share paid or payable by the Proposing Transferee or its nominee for any shares within the last 12 months or agreed to be paid by the Proposing Transferee, which price shall be deemed to include any consideration (in cash or otherwise) paid or payable by the Proposing Transferee which, having regard to the substance of the transaction as a whole, is reasonably regarded by the Board as an addition to the price so paid or payable and 'Third Party Offer Price' shall be construed accordingly
- 11 2 In the event that an offer is received by the Company or any Shareholder for the whole of the issued share capital of the Company in accordance with Article 11 1 ('Third Party Offer'), the Company or any such Shareholder shall notify each other Shareholder in writing of the terms of the Third Party Offer ('Third Party Offer Notice') The Third Party Offer Notice shall set out the following information
- 11 2 1 the name(s) and address(es) of the Offeror,
- 11 2 2 the price per share which the Offeror is willing to pay for the Shares ('Third Party Offer Price'), and
- 11 2 3 any other significant terms and conditions of the Third Party Offer ('Third Party Offer Terms') including the time for acceptance of the Third Party Offer being not less than 30 days nor more than 60 days after the date of the Third Party Offer Notice ('Acceptance Period')
- 11 3 In the event that a Third Party Offer is received for the entire issued share capital of the Company pursuant to this Article 11, the Shareholders (including any option holders on the basis that options will be deemed to have been exercised on the delivery of the Third Party Offer Notice) ('Tagged Along Shareholders') shall have the right (the 'Tag Along Right') to accept the Third Party Offer by serving notice to that effect in respect of all (and not some only) of their Shares ('Tagged Along Shares') on the Offeror within the Acceptance Period (and in default of so doing shall be deemed to have rejected the Third Party Offer)
- 11 4 Upon the exercise of the Tag Along Right in accordance with this Article 11, each of the Tagged Along Shareholders shall be bound to sell their Tagged Along Shares for the Third Party Offer Price and on the Third Party Offer Terms and otherwise in accordance with this Article 11
- 11 5 Completion of the sale of the Tagged Along Shares shall take place on the date specified for that purpose by the Offeror in the Third Party Offer Notice save that
- 11 5 1 the Offeror may not specify a date that is more than 14 days after the end of the Acceptance Period unless the Proposing Transferor and all the Tagged Along Shareholders agree otherwise, and
- 11 5 2 the date so specified by the Offeror for the sale of the Tagged Along Shares shall be the same date as the date proposed for completion of the sale of all other issued shares in the Company
- 11 6 In the event of competing offers, the highest offer shall take precedence unless Shareholders holding in aggregate not less than 75 per cent of the issued share capital of the Company agree otherwise

12. DRAG ALONG RIGHTS

- 12 1 In the event that an offer (a 'Triggering Offer') is received by the Fund from a bona fide third party purchaser ("the Fund's Third Party Purchaser") on an arm's length basis to purchase all of the Shares held by the Fund at any time after 4 years from the date of adoption of these Articles and

the Triggering Offer is accepted by the Fund then the Fund shall serve a Sale Notice on the Company in accordance with Article 9 SAVE THAT

- the Sale Price shall be the price at which the Fund's Third Party Purchaser has offered to purchase the Shares held by the Fund,
- the Sale Notice shall be conditional on acceptances being received for all of the Shares held by the Fund either by the other Shareholders or by a third party nominated by the other Shareholders, and
- the time limits referred to in Articles 9 4 and 9 9 shall not apply to the Sale Notice

If, in response to the aforementioned Sale Notice, the purchase of all of the Shares held by the Fund has not been completed within 30 days of the receipt by the Company of the Sale Notice, then the Fund shall have the right (the 'Drag Along Right') to require all Shareholders (including any option holders on the basis that options will be deemed to have been exercised on the delivery of the Triggering Offer) (the 'Drag Along Shareholders') to transfer all of the Shares held by them to the Fund's Third Party Purchaser or as the Fund's Third Party Purchaser shall direct, on no less favourable terms as is offered to the Fund

12 2 The Drag Along Right may be exercised by the Fund serving notice to that effect (the 'Drag Along Notice') on the Drag Along Shareholders specifying that each Drag Along Shareholder is required to transfer his shares (the 'Drag Along Shares') pursuant to this Article 12, including details of the person to whom the Shares are to be transferred, the price and the proposed date of transfer

12 3 A Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Fund does not transfer all of their shares ('Accepted Shares') to the Fund's Third Party Purchaser within 30 days from the date of the Drag Along Notice

12 4 Upon the exercise of the Drag Along Right in accordance with this Article 12 each of the Drag Along Shareholders shall be bound to sell its Drag Along Shares on no less favourable terms than applies to the Fund

12 5 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option or other right to acquire Shares in the Company (a 'New Shareholder'), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Fund's Third Party Purchaser (or as the Fund's Third Party Purchaser may direct) on the terms set out in Article 12 2 and the provisions of this Article 12 shall apply to the New Shareholder

12 6 Completion of the sale of the Drag Along Shares shall take place on the date specified for that purpose by the Fund to the Drag Along Shareholders in the Drag Along Notice save that

12 6 1 the Fund may not specify a date that is less than 30 days after the date of the Drag Along Notice, and

12 6 2 the date so specified by the Fund shall be the same date as the date proposed for completion of the sale of the Accepted Shares,

unless, in the case of the sale by any particular Drag Along Shareholder, that Drag Along Shareholder and the Fund otherwise agree

12 7 If any Drag Along Shareholder does not, on completion of the sale of the Drag Along Shares, execute transfer(s) in respect of all of the Drag Along Shares held by it, the defaulting Drag Along Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Fund to be their agent and attorney to execute all necessary transfer(s) and other documents on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Drag Along Shares, to deliver such transfer(s) to the Third Party Purchaser (or as they may direct) as the holder thereof. After the Fund's 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

13. VOTING AND GENERAL MEETINGS

- 13 1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for every share in the capital of the Company of which he is the holder
- 13 2 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution of the words "28 days"
- 13 3 Regulation 62 of Table A is modified by the substitution in paragraph (a) of the words "at any time" in place of "48 hours" and by the substitution in paragraph (b) of the words "at any time" in place of "24 hours".

14. DIRECTORS AND MANAGEMENT

- 14 1 The business and affairs of the Company shall be managed by the Board in accordance with the Memorandum of Association and the Articles of Association, from time to time, and applicable law The Board shall meet at such intervals as the efficient and proper running of the Business demands, but in any event no less than once per quarter
- 14 2 The Board shall consist of a maximum of 5 directors consisting of Nicholas Wood, Mark Bernstein, and one Fund Director (if appointed)
- 14 3 Any appointment or removal by the Fund of its representative Director shall be effected by notice in writing to the Company signed by or on behalf of the Fund and shall take effect, subject to any contrary intention expressed in the notice, when the notice effecting the same is delivered to the Company
- 14 4 Each Director of the Company shall be entitled to appoint an alternate The Board may delegate routine matters to any committee consisting of one or more Directors (and, where appropriate, of one or more Employees)
- 14 5 The quorum for the transaction of business at any meeting of the Board (including an adjourned meeting of the Board) shall be at least 2 and should include the Fund Director (or his alternate) If such a quorum is not present within 30 minutes from the time appointed for the meeting or if during the meeting such a quorum ceases to be present, the meeting shall be adjourned for 5 Business Days Board matters will be determined by majority vote At any meeting of the Board the Chairman shall have a casting vote In the event that no Fund Director is in office then their presence shall not be required to constitute a quorum
- 14 6 At least 7 days' written notice shall be given to each of the members of the Board of any meeting of the Board Notice shall be given to each Director at any address in the United Kingdom supplied by him to the Company for that purpose whether or not he is present in the United Kingdom provided that any Director may waive notice of any meeting either prospectively or retrospectively and if he does so it shall be no objection to the validity of the meeting that notice has not been given to him Meetings of the Directors may be held by conference telephone or similar equipment as long as the participants can all hear each other Any such notice shall contain, inter alia, an agenda identifying in reasonable detail the matters to be discussed at the meeting and shall be accompanied by copies of any relevant papers to be discussed at the meeting Any matter which is to be submitted to the Board for a decision which is not identified in reasonable detail as aforesaid shall not be decided upon, unless otherwise agreed in writing by all of the members of the Board
- 14 7 Any Director who ceases to be an Employee shall resign as a Director forthwith

- 14 8 The office of director shall be vacated if the Director, in the reasonable opinion of all his co-directors, becomes incapable by reason of mental disorder of discharging his duties as director, and regulation 81 of Table A shall be modified accordingly
- 14 9 Subject to Fund Approval and 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 -
- 14 9 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,
- 14 9 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,
- 14 9 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,
- 14 9 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
- 14 9 5 shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article
- 14 10 For the purposes of this Article -
- 14 10 1 a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified,
- 14 10 2 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and
- 14 10 3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a Director shall be treated as an interest of the Director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise
- 14 11 In the event that any material interest of a Director disclosed in accordance with Article 14 9 would involve that Director breaching his duty under Section 175 of the Companies Act 2006 then authorisation in accordance with Articles 14 12 to 14 17 must also be obtained for any proposed matter, transaction or arrangement which involves the said interest
- 14 12 Subject to Fund Approval the Directors may, in accordance with the requirements set out in articles 14,13 to 14 17 authorise any matter proposed to it by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Companies Act 2006 to avoid conflicts of interest ("**Conflict**")
- 14 13 Any authorisation under this article will be effective only if
- 14 13 1 the matter in question shall have been proposed by any Director for consideration at a meeting of Directors in the same way that any other matter may be proposed to the Directors under the provisions of these articles or in such other manner as the Directors may determine,

- 14 13 2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question, and
- 14 13 3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted
- 14 14 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)
- 14 14 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict so authorised,
- 14 14 2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine,
- 14 14 3 be terminated or varied by the Directors at any time
- This will not affect anything done by the Director prior to such termination or variation in accordance with the terms of the authorisation
- 14 15 In authorising a Conflict the Directors may decide (whether at the time of giving the authorisation or subsequently) that if a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the company and in respect of which he owes a duty of confidentiality to another person the Director is under no obligation to
- 14 15 1 disclose such information to the Directors or to any Director or other officer or employee of the company,
- 14 15 2 use or apply any such information in performing his duties as a Director,
- where to do so would amount to a breach of that confidence
- 14 16 Where the Directors authorise a Conflict they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the Director
- 14 16 1 is excluded from discussions (whether at meetings of Directors or otherwise) related to the Conflict,
- 14 16 2 is not given any documents or other information relating to the Conflict,
- 14 16 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of Directors in relation to any resolution relating to the Conflict
- 14 17 Where the Directors authorise a Conflict
- 14 17 1 the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict,
- 14 17 2 the Director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Companies Act 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the Directors impose in respect of its authorisation
- 14 18 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

15. MATTERS REQUIRING FUND APPROVAL

- 15 1 None of the matters set out in the Schedule attached hereto shall be undertaken by the Company without Fund Approval nor shall any Shareholder procure that the Company undertake such matters without Fund Approval

16. INDEMNITY

- 16 1 Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company
- 16 2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any liability which may lawfully be insured against by the Company

SCHEDULE

Matters Requiring Fund Approval

- 1 Amend the Articles or the Company's memorandum of association
- 2 The modification of any of the rights attached to any Shares in the Company or the creation or issue of any Shares or any other class of shares or the grant or agreement to grant any option over any Shares or any other class of shares or uncalled capital of the Company or the acceptance of any obligations convertible into Shares or any other class of shares
- 3 The capitalisation or repayment of any amount standing to the credit of any reserve of the Company or the redemption or purchase of any Shares or any other reorganisation of the share capital of the Company
- 4 The making of any loan to any third party or the giving of collateral security in respect of the obligations of any third party
- 5 Allow the aggregate borrowings of the Company to increase to a figure in excess of £50,000
- 6 The creation or issue or allowing to come into being of any mortgage or charge upon any part of the property or assets or uncalled capital of the Company or the creation or issue of any debenture or debenture stock [other than to secure bank borrowing]
- 7 Any change in the accounting policies of the Company which would represent a deviation from generally accepted accounting principles
- 8 Other than in the ordinary course of business, the disposal, assigning, licensing or leasing to any third party of any capital assets of the Company whether tangible or intangible (including any part of the intellectual property rights of the Company) or the granting of any rights over such assets
- 9 Incur capital expenditure outside budgets approved by the Fund greater than £10,000 in any one instance or £25,000 in a series of instances
- 10 The amalgamation or merger of the Company with any other company or concern
- 11 The declaration or payment of any dividend or the making of any distribution by the Company
- 12 Other than in the ordinary course of business, the grant by the Company to any person (other than a Director) of authority to act on behalf of the Company
- 13 The appointment and removal of the auditors by the Company under the Act
- 14 Any dealings (whether of a trading nature or otherwise) between the Company and any of the Shareholders or the Directors other than in the ordinary course of business
- 15 The passing of any resolution for the winding-up of the Company or the making of any application to the Court to order a meeting of creditors or the making of any proposal to make a voluntary arrangement within the meaning of the Insolvency Act 1986 or the petitioning for an administration order to be made in relation to the Company
- 16 The repayment of any Director's loan whilst any part of the Loans remains outstanding
- 17 Hold any meeting of the Board unless 7 days' prior notice has been given to the Fund
- 18 The Company shall not relocate its head office or move its principal place of business or relocate any part of its Business