

No: 5387808

The Companies Acts 1985 to 2006

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A PUBLIC COMPANY LIMITED BY SHARES

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Articles of Association

(as adopted by Special Resolution passed on 2008)

- of -

ALPHA STRATEGIC PLC

(Incorporated on 10 March 2005)

These are the new Articles of Association produced to the Annual General Meeting of ALPHA STRATEGIC PLC and adopted pursuant to a Special Resolution passed on 2008



Chairman

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Alpha Strategic PLC

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**1 Preliminary**

1.1 The regulations in Table A in the Schedule to the Companies (Tables A to F) Regulations 2007 (as amended) and in any Table A applicable to the Company under any former enactment shall not apply to the Company.

1.2 In these Articles, the words and expressions set out in the first column below shall bear the respective meanings set opposite them:

1985 Act	the Companies Act 1985
2006 Act	the Companies Act 2006
the Act	the 1985 Act and the company law provisions of the 2006 Act from time to time in force
AIM	the AIM market operated by the London Stock Exchange
AIM Rules	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange from time to time
these Articles	these Articles of Association as from time to time altered
Associated Company	a company or other body corporate that is associated with the Company within the meaning of section 256 of the 2006 Act
the Auditors	the auditors for the time being of the Company
the Board or the Directors	the board of Directors for the time being of the Company or the Directors present or deemed to be present at a duly convened meeting of Directors at which a quorum is present
Admission	the admission of the Company's entire ordinary share capital to trading on AIM which occurred on 11 August 2005
A Shares	the convertible A shares of £24.75 each having the rights set out in Article 2
Business Day	a day which is not a Saturday, Sunday, Christmas Day, Good Friday or bank holiday in England under the Banking and Financial Dealings Act 1971

Debenture	debenture or debenture stock
Deferred Shares	the deferred shares of 1p each having the rights set out in Article 2
Fully Diluted Equity	on any date all of the issued Ordinary Share capital of the Company plus all Ordinary Share capital which would arise on the exercise in full of all rights (whether or not contingent and assuming full performance of any performance linked rights) to subscribe for Ordinary Share capital, but excluding any Ordinary Shares issued as a result of conversion of the A Shares, or as a result of exercise of any options granted pursuant to an employee share option scheme

the London Stock Exchange London Stock Exchange PLC

Market Price the closing mid-market price as derived from the AIM market of the London Stock Exchange PLC or some other recognised investment exchange

Office the registered office for the time being of the Company

Ordinary Shares the ordinary shares of 1p each in the capital of the Company

Placing Price £1, which was the price per Ordinary Share paid by subscribers pursuant to the placing carried out by the Company conditional on Admission

Paid paid or credited as paid

proxy notice a notice in writing appointing a proxy pursuant to Article 11.6

Seal the common seal of the Company

Securities Seal an official seal kept by the Company by virtue of Section 50 of the 2006 Act

the Uncertificated Securities Regulations the Uncertificated Securities Regulations 2001 (SI 2001 No 3755) including any modification of them or any regulation made in substitution for them for the time being in force

- 1.3 The expressions "hard copy form", "electronic form", "electronic means" and "address" shall be interpreted in accordance with the 2006 Act.
- 1.4 References in these Articles to statutory provisions, enactments or EC Directives shall include references to any amendment, modification, extension, consolidation, replacement or re-enactment of any such provision, enactment or EC Directive from time to time in force and to any regulation, instrument or order or other subordinate legislation made under such provision, enactment or EC Directive.
- 1.5 Save for the words and expressions defined in Articles 1.2 and 1.3, any words or expressions defined in the Act shall bear the same meaning (if not inconsistent with the subject or context) in these Articles.

1.6 Where for any purpose an Ordinary Resolution of the Company is required, a Special Resolution shall also be effective.

## **2 Share Capital**

2.1 The share capital of the Company at the date of the adoption of these Articles is £150,000 divided into 10,050,000 Ordinary Shares of 1p each and 2,000 A Shares of £24.75 each.

2.2 Rights attaching to the A Shares

2.2.1 The Ordinary Shares and the A Shares are separate classes of shares and carry the respective rights and privileges and are subject to the respective provisions and restrictions set out in these Articles.

2.2.2 The A Shares shall not have the right to be paid a dividend.

2.2.3 On a return of capital on winding-up (but not otherwise), the holders of the A Shares shall be entitled to participate in the Company's assets available for distribution among the members in accordance with Article 2.3.8.

2.2.4 The holders of the A Shares have the right to receive notice of and to attend general meetings of the Company, but do not have the right to vote thereat.

2.3 Conversion of A Shares

2.3.1 Conditional on the Market Price of each Ordinary Share being double the Placing Price for 30 consecutive Business Days within the period between the first and fifth anniversary of Admission and thereafter the Market Price of each Ordinary Share being three times the Placing Price for 30 consecutive Business Days, a holder of A Shares may exercise in whole or in part the conversion rights attaching to the A Shares held by him and any of his permitted transferees (if any) by notice provided in writing to the Company at any time between the first and tenth anniversary of Admission, together with the certificate for the A Shares to be converted and any evidence the Board may require to prove the title of the person exercising the right to convert. A conversion notice once given may not be withdrawn without the Company's written consent.

2.3.2 Within 25 business days after (and in the case of an early conversion, only where the remuneration committee has sanctioned conversion subject to Rule 21 of the AIM Rules) the Company shall convert the relevant A Shares into the Ordinary Shares and Deferred Shares (if any) arising on conversion and, as soon as reasonably practicable thereafter, shall issue to the holders of such Ordinary Shares without charge certificates for the Ordinary Shares and Deferred Shares (if any). In the meantime, transfers of Ordinary Shares shall be certified against the register.

2.3.3 For the avoidance of doubt, all A Shares which are in issue and remain unconverted after the tenth anniversary of the date of Admission shall convert into Deferred Shares.

2.3.4 On conversion of all or part of the A Shares held by an original holder of such shares and his permitted transferees (if any), each A Share shall (at the election of that holder) convert into such number of fully paid Ordinary Shares as equals 0.005 per cent. of the Fully Diluted Equity (with the aggregate number of Ordinary Shares of each holder arising on conversion to be rounded down to the nearest whole number of Ordinary Shares, if necessary) and/or such number of fully paid Deferred Shares (if any) as equates to the nominal value by which the aggregate nominal value of A Shares being converted is greater than the aggregate nominal value of Ordinary Shares arising on conversion.

2.3.5 The Ordinary Shares to which a holder is entitled on conversion shall not rank for any dividends or other distributions paid or made on Ordinary Shares prior to the date of the conversion notice but shall rank for any paid or made thereafter, and subject thereto they shall rank pari passu in all respects and form one class with the Ordinary Shares then in issue.

2.3.6 Where a block admission arrangement is in place with a relevant investment exchange, the Company will use its best endeavours to procure that, upon conversion of A Shares, such Ordinary Shares shall be admitted to the relevant investment exchange. Where a block admission arrangement is not in place or is insufficient to deal with the number of Ordinary Shares converting from A Shares, the Company will apply for admission to the relevant investment exchange for that number of Ordinary Shares for which there are insufficient Ordinary Shares available under a block admission arrangement. The Company shall prepare and use its best endeavours to issue any listing particulars and other documents that may be required to be issued in respect of any Ordinary Shares arising on conversion pursuant to the rules of any relevant investment exchange.

2.3.7 If A Shares remain capable of being converted into Ordinary Shares and the Company becomes aware of:

- (a) an offer being made by a person or persons acting in concert ("Offeror") to all holders of Ordinary Shares (or all holders of Ordinary Shares other than the Offeror and any associates of the Offeror, as defined in section 988 of the 2006 Act) to acquire all or some of the Ordinary Shares (including any such offer implemented by way a court approved scheme of arrangement under Part 27 of the 2006 Act) which have the right to cast more than 50 per cent of the votes that may ordinarily be cast on a poll at a general meeting and which has or will become vested in the Offeror and those associates; or
- (b) an Offeror or its associates contracting to acquire all or a substantial part of the Company's assets or undertaking,

irrespective of whether the condition in Article 2.3.1 has been achieved, the Company shall give notice to all holders of A Shares forthwith upon it becoming so aware. The A Shares shall convert on the third day following the date of the notice in accordance with this Article 2.

2.3.8 If A Shares remain capable of conversion into Ordinary Shares and either (i) a resolution for voluntary winding up of the Company is passed or (ii) a winding-up order is made by the court in relation to the Company, the A Shares shall be treated as if they had converted in accordance with this Article 2 on the date of, and with effect immediately prior to, the resolution for the voluntary winding up of the Company being passed or the date of the winding-up order being made, as the case may be. In that event, the holder thereof shall be entitled to be paid, in satisfaction of the amount due in respect of his A Shares, a sum equal to the amount to which he would have been entitled on a return of capital on a winding-up if he had been the holder of the Ordinary Shares to which he would have become entitled on such conversion.

2.4 Permitted transfer of A Shares

2.4.1 Subject to Article 2.4.2, the holders of the A Shares may not transfer, charge, encumber, grant any option over or otherwise dispose of any A Share or any interest therein.

2.4.2 A holder of A Shares may at any time transfer A Shares:

- (i) to the trustees of a trust of which the only beneficiaries (and the only people capable of being beneficiaries) are the holder of the A Shares who established the trust and who is transferring the relevant shares, and/or his spouse, and/or his lineal descendants by blood or adoption; and the trustees of such a trust may not transfer A Shares under this Article 2.4.2 other than to replacement trustees of the same trust; or
- (ii) to his spouse and/or his lineal descendant by blood or adoption; or
- (iii) when required by Articles 2.4.3

(such persons to whom such shares may be transferred pursuant to (i) or (ii) above being "permitted transferees").

2.4.3 If a transferee of any shares under Article 2.4.2 shall at any time cease to be a permitted transferee in relation to the original holder of the relevant A Shares (the "relevant shares"), it shall be the duty of the trustees and/or the person holding the relevant shares to notify the Board in writing that such event has occurred and the trustees and/or the person shall be bound to execute a stock transfer form and to do such other things as may be necessary to transfer the relevant shares at the price per share (if any) for which they were acquired, to the original holder (who shall be bound to acquire the relevant shares) and if they or he fails to do so, the directors may authorise any director to execute any stock transfer form and to do such other things as may be necessary or desirable to transfer the relevant shares on behalf of the trustees and/or the person holding the relevant shares pursuant to this Article 2.4.3.

2.4.4 The Board may require from any person lodging a share transfer such information as evidence as the Board thinks fit to any matter which they may reasonably deem relevant for the purposes of Article 2.4.2 and may refuse to register the relevant transfer until they have received information and evidence satisfactory to them.

## 2.5 Restrictions

So long as any A Shares remain capable of being converted into Ordinary Shares:

2.5.1 the Company shall not, except with the consent in writing of the holders of at least three-fourths of the nominal amount of A Shares then in issue or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the A Shares then in issue validly held in accordance with the provisions of these Articles (i) create, allot or issue any further A Shares in the capital of the Company (other than the allotment or issue of A Shares already forming part of the Company's authorised share capital as at the date of Admission); or (ii) pass a resolution varying any of the special rights attached to the A Shares; and

2.5.2 the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all A Shares to be converted into Ordinary Shares.

## 2.6 Deferred Shares

The Deferred Shares shall not confer the right to be paid a dividend or to receive notice of or to attend or vote at a general meeting. On a winding up, after the distribution of the first £1,000,000 of the assets per Ordinary Share in accordance with Article 2.2.3, the holders of the Deferred Shares (if any) shall be entitled to receive an amount equal to the nominal value of such Deferred Shares pro rata to their respective holdings. The Deferred Shares shall not, save as referred to in this Article 2.6, be transferable. Conversion of an A Share is deemed to confer irrevocable authority on the Board at any

time to do all or any of the following without obtaining the sanction of the holder of any or all of the Deferred Shares:

- 2.6.1 to appoint a person to execute on behalf of each holder of Deferred Shares an instrument of transfer for or an agreement to transfer (or both) all or some of the Deferred Shares, without making a payment to the holder, to such person as the Board may decide, as custodian;
- 2.6.2 to purchase all or some of the Deferred Shares (subject to the provisions of the Acts) for a price of 1 pence for all the Deferred Shares purchased, without obtaining the sanction of the holder;
- 2.6.3 for the purposes of any such purchase, to appoint any person to execute on behalf of the holder of Deferred Shares a contract for the sale to the Company of any such Deferred Shares by him or her; and
- 2.6.4 to cancel all or any of the same so purchase in accordance with the Act.

Pending the transfer or purchase the Company may retain the certificates for the Deferred Shares.

- 2.7 If at any time the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act, be varied or abrogated, whether the Company is a going concern or during or in contemplation of its being wound up, either (a) in such manner (if any) as may be provided by such rights or (b) in the absence of any such provision (i) with the consent in writing of the holders of three-quarters in nominal amount of the issued shares of that class (excluding any shares held as treasury shares) or (ii) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise). To every such separate general meeting all the provisions of these Articles relating to General Meetings of the Company shall, so far as applicable and with the necessary modifications, apply, except that (a) no member, not being a Director, shall be entitled to notice or to attend unless he be a holder of shares of the relevant class (b) no vote shall be given except in respect of a share of that class (c) the necessary quorum at any such meeting other than an adjourned meeting shall be not less than two persons present in person or by proxy holding at least one-third in nominal amount of the issued shares of the class in question excluding any shares of that class held as treasury shares (d) at an adjourned meeting one person present in person or by proxy holding shares of the class in question shall constitute a quorum (e) for the purposes of (c) and (d), where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which those proxies are authorised to exercise voting rights and (f) any holder of shares of the class in question present in person or by proxy and entitled to vote at the meeting may demand a poll.
- 2.8 The provisions of Article 2.7 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.
- 2.9 The rights conferred upon the holders of any class of shares issued with preferred or other special rights shall not (unless otherwise expressly provided by these Articles or by the conditions of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the

Company in some or all respects pari passu therewith but in no respect in priority thereto or by the purchase or redemption by the Company of its own shares.

- 2.10 The Company may from time to time by Ordinary Resolution increase its share capital by such sum to be divided into shares of such amounts and carrying such rights as the resolution may prescribe. All new shares shall (unless the Company shall in General Meeting otherwise determine) be subject to the provisions of these Articles with reference to allotment, transfer, transmission and otherwise.
- 2.11 The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken, by any person, and diminish the amount of its share capital by the nominal amount of the shares so cancelled; and
  - (c) sub-divide its shares, or any of them, into shares of smaller amount (subject nevertheless to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as regards each share so sub-divided, one or more of the shares resulting from such sub-division may have any such preferred or other special rights, or may have such deferred rights, or be subject to any such restrictions as compared with the others, as the Company has power to attach to unissued or new shares.
- 2.12 Upon any consolidation of fully paid shares into shares of larger amount the Directors may as between the holders of shares so consolidated determine which shares are consolidated into each consolidated share and, in the case of any shares registered in the name of one holder being consolidated with shares registered in the name of another holder, may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for the distribution among the persons entitled thereto of the net proceeds of such sale; and for such purpose may appoint some person to transfer the consolidated share to the purchaser. Provided that the necessary unissued shares are available, the Directors may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share, issue to each such holder credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to the related consolidation); and the amount required to pay up such shares shall be appropriated at their discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares.
- 2.13 The Company may by Special Resolution reduce its share capital and any capital redemption reserve and any share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.
- 2.14 Subject to the provisions of the Act and to any rights for the time being attached to any shares (and, unless the trust deed or terms of issue of any convertible securities of the Company already so provide, the approval of the intended proposals by the holders thereof sanctioned by a Special Resolution passed at a separate meeting of such

