

ISLE OF MAN
COMPANIES ACT 2006

MEMORANDUM OF ASSOCIATION
OF
A COMPANY LIMITED BY SHARES

1. **Name**

The name of the Company is **PORT ERIN BIOPHARMA INVESTMENTS LIMITED**

2. **Type of Company**

The Company is incorporated as a company limited by shares.

3. **Registered Office**

The address of the first registered office of the Company is 18 Athol Street, Douglas, Isle of Man, IM1 1JA.

4. **Registered Agent**

The name of the first registered agent of the Company is Greystone Trust Company Limited of 18 Athol Street, Douglas, Isle of Man, IM1 1JA.

5. **Power and Capacity**

The Company has unlimited capacity to carry on or to undertake any business or activity, to do, or to be subject to, any act or to enter into any transaction.

6. **Shares in the Company**

(a) The Company shall be authorised to issue a maximum of 2,000,000,000 shares with a par value of £.000001 each.

(b) The shares in the Company shall be issued in pounds sterling.

7. **Subscribers**

Full Name and Residential or Business Address of the Subscriber	Number of Shares each Subscriber agrees to take	Description of Shares which the Subscriber agrees to take	Amount the Subscriber agrees to pay for each Share
Galloway Limited c/o 4 th Floor, Viking House Nelson Street Douglas Isle of Man	1 (one)	Ordinary Share	£1.00

Rivington Street Ventures Limited 18 Athol Street, Douglas, Isle of Man IM1 1JA	1 (one)	Ordinary Share	£1.00
SF t1ps Smaller Companies Growth Fund Oxford House Oxford Road Aylesbury Buckinghamshire HP21 8SZ	1 (one)	Ordinary Share	£1.00

8. **Agreement of each subscriber to take shares**

The subscriber agrees to take the number of shares specified above upon the incorporation of the Company and agrees to pay the amount specified above for each such share.

9. **Amendment to Memorandum of Association or Articles of Association**

- (a) Subject to paragraph 9b of this Memorandum of Association, the directors of the Company may, by resolution, amend the Memorandum of Association or Articles of Association of the Company.
- (b) The directors of the Company shall not have power to amend the Memorandum of Association or Articles of Association of the Company:
 - (i) to restrict the rights or powers of the shareholders of the Company to amend the Memorandum of Association or Articles of Association of the Company; or
 - (ii) to change the majority of the voting rights of shareholders required to be exercised in order to pass a resolution to amend the Memorandum of Association or Articles of Association of the Company; or
 - (iii) in circumstances where the Memorandum of Association or Articles of Association of the Company cannot be amended by the shareholders of the Company.

10. **Signature and date**

The subscribers agree to the terms of this Memorandum of Association and have signed the Memorandum of Association on the date specified against such subscriber's name below:

Subscriber	Date

Galloway Limited c/o
4th Floor, Viking House
Nelson Street
Douglas
Isle of Man

4th May 2011

Nicholas James Woolard

For and on behalf of:-
Rivington Street Ventures Limited
18 Athol Street , Douglas, Isle of Man, IM1 1JA

Tom Winnifrith

For and on behalf of:-
SF t1ps Smaller Companies Growth Fund
Oxford House
Oxford Road
Aylesbury
Buckinghamshire HP21 8SZ

ISLE OF MAN
COMPANIES ACT 2006
ARTICLES OF ASSOCIATION
OF
PORT ERIN BIOPHARMA INVESTMENTS LIMITED
A COMPANY LIMITED BY SHARES
(the “Company”)

1. Preliminary

The model articles of association contained in Schedule 1 to the Companies (Model Articles) Regulations 2006 shall not apply to the Company. The following articles (as may be amended from time to time) shall constitute the articles of association of the Company.

2. Definitions and Interpretation

2.1 In the Articles, if not inconsistent with the subject or context –

2.1.1 “the **Act**” means the Companies Act 2006 including any statutory modification or re-enactment of it for the time being in operation;

2.1.2 “**Articles**” means the Articles of Association of the Company as amended from time to time;

2.1.3 “**Board**” means the board of Directors;

2.1.4 “**Class**” in relation to Shares, means a class of Shares each of which has identical rights, privileges, limitations and conditions attached to it;

2.1.5 “**Director**” means a director of the Company;

2.1.6 “**Distribution**” means, in relation to a distribution by the Company to a Shareholder, the direct or indirect transfer of any assets, other than Shares, to or for the benefit of a Shareholder or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by that Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer or assignment of indebtedness or otherwise, and includes a dividend;

2.1.7 “**Memorandum**” means the Memorandum of Association of the Company as amended from time to time;

2.1.8 “**person**” includes a body corporate;

2.1.9 “**Registrar**” means the Registrar of Companies appointed under section 205 (*registrar of companies*) of the Act;

2.1.10 “**Seal**” means any seal which has been duly adopted as the common seal of the Company;

2.1.11 “**Share**” means a share issued by the Company;

2.1.12 “**Shareholder**” means a person whose name is entered in the register of members of the Company as the holder of one or more Shares or fractional Shares and each person named as a subscriber in the

Memorandum until that person's name is entered in the register of members of the Company;

- 2.1.13 **“Solvency Test”** means the solvency test referred to in section 49 (*meaning of “solvency test” and “distribution”*) of the Act which the Company satisfies if it is able to pay its debts as they become due in the normal course of the Company's business and the value of its assets exceeds the value of its liabilities;
 - 2.1.14 **“Voting Rights”** means all the rights to vote on a poll on any resolution of the Shareholders or a class of Shareholders according to the rights attached to the Shares held;
 - 2.1.15 **“written”** or any similar term includes information generated, sent, received or stored by electronic, digital, magnetic, optical, electromagnetic, biometric or photonic means including electronic data interchange, electronic mail, telegram, telex or telecopy, and **“in writing”** shall be construed accordingly.
 - 2.1.16 **“UK 1985 Act”** means the UK Companies Act 1985
 - 2.1.17 **“UK 2006 Act”** means the UK Companies Act 2006
 - 2.1.18 **“Uncertificated Regulations”** means the Uncertificated Securities Regulations 2006 (as amended or replaced from time to time)
 - 2.1.19 **“Uncertificated System”** means a relevant system as defined in the Uncertificated Regulations.
 - 2.1.20 **“Information Notice”** means a notice served on a member by the Board requiring such member to disclose to the Board in writing within such period (being not less than ten days and not more than thirty days from the date of dispatch) as may be specified in such notice any of the following information in relation to any or all of the shares registered in such a member's name at the date of the notice: (a) any beneficial interest of any third party in the shares the subject of the notice; (b) any interest of any kind whatsoever which a third party may have in the shares;”
- 2.2 In the Articles, unless the context otherwise requires –
- 2.2.1 a reference to –
 - (a) an “Article” is a reference to an article in the Articles;
 - (b) voting by Shareholders is a reference to the casting of votes attached to Shares by Shareholders;
 - 2.2.2 words denoting any one gender include all other genders and words denoting the singular shall include the plural and vice versa; and
 - 2.2.3 words or phrases contained in the Articles bear the same meaning as they do in the Act but excluding any statutory modification to such meaning not in operation when the Articles become binding on the Company.
- 2.3 Headings are for ease of reference only and shall not affect the interpretation of the Articles.

3. Share Certificates

- 3.1 Upon request to the Company, a Shareholder shall be entitled:

- 3.1.1 without payment, to one certificate for all the Shares of each Class held by that Shareholder and (upon transferring some of such Shares) to a certificate for the balance thereof; or
- 3.1.2 to several certificates each for one or more of that Shareholder's Shares upon payment, for every certificate after the first, of such reasonable sum as the Directors may determine.
- 3.2 The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate to one joint owner shall be delivery to all of them.
- 3.3 Any certificate for Shares issued by the Company shall be signed by a Director or any other person authorised by a resolution of the Directors or under the Seal and shall specify the number, Class and par value (if any) of the Shares to which it relates. Such signature or Seal may be a facsimile.
- 3.4 Any Shareholder receiving a certificate shall indemnify and hold the Company and the Directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use of such certificate or representation made by any person by virtue of the possession of such certificate. If a certificate for Shares is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the Directors may determine (but otherwise free of charge) and, in the case of defacement or wearing out, on delivery up of the old certificate.

4. Issue of Shares

- 4.1 Subject to the Act, the Memorandum and to the provisions of the Articles, the Shares may be issued and options to acquire Shares may be granted at such times, to such persons, for such consideration and on such terms as the Directors may determine.
- 4.2 Shares may be numbered or unnumbered.
- 4.3 The Company may issue fractional Shares. A fractional Share has the corresponding fractional rights, obligations and liabilities of a whole Share of the same Class.
- 4.4 The Company may issue bonus shares and nil or partly paid shares.
- 4.5 A Share may be issued for consideration in any form, including money, a promissory note or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services provided that no Shares may be issued for a consideration other than money, unless the Directors have passed a resolution stating –
 - 4.5.1 the amount to be credited for the issue of the Shares;
 - 4.5.2 their determination of the reasonable present cash value of the non-money consideration for the issue; and
 - 4.5.3 that, in their opinion, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.
- 4.6 The Company shall keep a register of members containing –

- 4.6.1 the name and business or residential address of each of the Shareholders provided that if the register does not contain a Shareholder's residential address the registered agent shall maintain a separate record of such address;
 - 4.6.2 the number of Shares of each Class held by each Shareholder at any time;
 - 4.6.3 the date on which the name of each Shareholder was entered in the register of members; and
 - 4.6.4 the date on which any person ceased to be a Shareholder.
- 4.7 The register of members may be in any such form as the Directors may approve but, if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents.
- 4.8 Save in respect of Shares subscribed for by a subscriber, a Share is deemed to be issued when the name of the Shareholder is entered in the register of members.
- 4.9 The Company may pay commission at such rates or in such amounts as the Directors may determine to any person in consideration of such person subscribing or agreeing to subscribe, whether absolutely or conditionally for any Shares in the Company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Shares in the Company.

5. Rights of Shares

- 5.1 Subject to any rights or restrictions attached to any Shares, each Share confers upon the Shareholder –
- 5.1.1 the right to vote at a meeting of Shareholders or on any resolution of the Shareholders in accordance with the Articles;
 - 5.1.2 the right to an equal share in any dividend paid by the Company; and
 - 5.1.3 the right to an equal share in the distribution of the surplus assets of the Company on its winding up.
- 5.2 The Company may issue Shares of different Classes.
- 5.3 If at any time the Shares are divided into different Classes, the rights attached to the Shares of any Class may only be varied by resolution of the Shareholders of that Class passed by a Shareholder or Shareholders holding at least 75 per cent of the Voting Rights exercised in relation thereto.
- 5.4 The rights conferred upon the holders of the Shares of any Class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with such Shares.
- 5.5 Subject to the Act and the Memorandum and Articles, Shares may be issued on terms that they are redeemable on such terms and in such manner as the Directors may determine.

5A. Disclosure of interests in shares and suspension of interests

5A.1 Disclosure of substantial interests in shares

- (a) Every person who is to his knowledge interested in the voting rights of three per cent. or more of the issued shares of any relevant class of shares in the capital of the Company, shall without delay, give to the Company notice in writing of the information set out in Article 5A.1(b) below.
- (b) The information referred to in Article 5A.1(a) is as follows:
 - (i) the amount of shares of the relevant class in which he was to his knowledge directly or indirectly interested immediately after the obligation arose and the percentage of voting rights in the Company held through those shares (and/or any other direct or indirect holding of qualifying financial instruments in such shares); and
 - (ii) the following information: (a) the identity and address of each registered holder of those shares (and person(s) entitled to exercise voting rights on behalf of such registered holder, if applicable) and the amount of shares then held by each such holder; (b) the chain of controlled undertakings through which voting rights are effectively held, if applicable; (c) the date on which the threshold was reached or crossed; and (d) in respect of any notification of voting rights arising from the holding of qualifying financial instruments by that shareholder, the following shall be required:
 - (A) the resulting situation in terms of voting rights;
 - (B) if applicable, the chain of controlled undertakings through which qualifying financial instruments are effectively held;
 - (C) the date on which the threshold was reached or crossed;
 - (D) for qualifying financial instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;
 - (E) the date of maturity or expiration of the qualifying financial instrument;
 - (F) the identity of the holder; and
 - (G) the name of the underlying issuer of such qualifying financial instrument.
- (c) Every person who, at any time after the date on which this Article comes into force, ceases to be interested, or becomes aware that he has ceased to be interested, in the voting rights of three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company, shall be under an obligation to give to the Company notice in writing of that fact and all the information required under Article 5A.1(b) above.
- (d) Where:
 - (i) a person is to his knowledge, directly or indirectly interested in the voting rights of three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company; and
 - (ii) there occurs to his knowledge, or he becomes aware that there has occurred, a change in his percentage interest in the voting rights of shares of that class for the time being in issue,

that person shall be under an obligation to give to the Company notice in writing of the change, specifying the information set out in Article 5A.1(b).

- (e) An obligation to give a notice to the Company under Article 5A.1(a),5A.1(c) or 5A.1(d) of this Article shall be fulfilled without delay and in any event before the end of the second working day after the day on which it arises.
- (f) Every person who is to his knowledge directly or indirectly interested in the voting rights of three per cent. or more of the shares for the time being in issue of any relevant class of shares of the Company shall for as long as he remains so interested be under a continuing obligation to give to the Company notice in writing of the particulars in relation to those shares specified in Article 5A.1(b) and of any change in those particulars, of which he becomes aware at any time after the event (or if more than one the most recent event) by virtue of which he became obliged by the preceding provisions of this Article to give notice to the Company of his interest. A notice given under this Article shall be given without delay and in any event before the end of the second working day after the day on which the person giving the notice becomes aware of the relevant facts.
- (g) A notice given to the Company under any of the preceding provisions of this Article by a person who is for the time being a party to an agreement to which Article 5A.3(c) applies shall:
 - (i) state that he is a party to such an agreement;
 - (ii) include the names and (so far as known to him) the addresses of the other parties to the agreement, identifying them as such; and
 - (iii) state whether any of the shares to which the notice relates are shares in which he is interested by virtue of Article 5A.3(c) and, if so, the amount of such share.
- (h) Where a person gives a notice to the Company under Article 5A.1(c) in consequence of his having ceased to be interested in any shares by virtue of the fact that he or any other person has ceased to be a party to an agreement to which Article 5A.3(c) applies, the notice shall include a statement that he or that other person has ceased to be a party to the agreement (as the case may require) and also (in the latter case) the name and (if known to him) the address of that other person.
- (i) A person shall be taken to be an indirect holder of shares under this Article 5A.1 to the extent that he is entitled to acquire, to dispose of, or to exercise voting rights over such shares.

5A.2 **Register and notification of substantial interests**

- (a) The Directors shall keep a register for the purposes of Article 5A.1 (in this Article hereafter referred to as “**the Register of Substantial Interests**” and each such entry being a “**Substantial Interest**”) and shall procure that, whenever the Company receives information from a person in consequence of the fulfilment of an obligation imposed on him by that Article, that information is within three working days thereafter inscribed in the Register of Substantial Interests against that person’s name, together with the date of the inscription.
- (b) Unless the Register of Substantial Interests is in such a form as to constitute an index, the Directors shall ensure that the Register of Substantial Interests is made up in such a way that the entries against the respective names entered in it appear in chronological order.
- (c) The Directors shall cause to be maintained an index of the names entered in the Register of Substantial Interests, containing in relation to each such name a sufficient indication to enable the information entered against it to be readily found, and shall procure that within ten days after the date on which a name is entered in the Register of Substantial Interests any necessary alteration is made in the index.
- (d) The Register of Substantial Interests shall be kept at the registered office for the time being of the Company.

- (e) The Register of Substantial Interests shall be open to inspection in the same manner as the Register of Members in accordance with Companies Act 2006.
- (f) The Company shall without delay notify a regulatory information service for distribution to the public of any Substantial Interests or relevant changes in Substantial Interests by delivery of a Company announcement.
- (g) The Company may, at the end of each calendar month during which an increase or decrease has occurred, notify a regulatory information service for distribution to the public the total number of voting rights and capital in respect of each class of share which it issues. For the purposes of any obligation of any person to give a notice to the Company under Article 5A.1, the number of voting rights to be considered when calculating whether a threshold is reached, exceeded or fallen below is the number of voting rights in the Company's most recent notification issued pursuant to this Article 5A.2(g).

5A.3 Interpretation of Articles 5A.1 to 5A.2

- (a) In Articles 5A.1 to 5A.2 of these Articles and this Article:
 - (i) “**working day**” means a day which is not a Saturday, a Sunday, Christmas Day, Good Friday or a bank holiday in the Isle of Man;
 - (ii) a person's percentage interest in shares of any class is to be determined by expressing the aggregate number of the shares of that class in which that person is for the time being interested as a percentage of the total number of the shares of that class then in issue and rounding that figure down, if it is not a whole number, to the nearest whole number; and
 - (iii) “**shares of a relevant class**” means:
 - (A) shares of a class carrying the right to vote in all circumstances at general meetings of the Company; and
 - (B) shares of a class which, whether presently or at a future date or contingently, is convertible into, or carries any right to subscribe for, share falling within (A) above;and it is for this purpose irrelevant that the holders of some or all of the shares of a class are for the time being not entitled, as a result of the service of a disenfranchisement notice under Article 5A.4, to vote at general meetings of the Company;
 - (iv) “**qualifying financial instrument**” and “**controlled undertaking**” have those definitions set out in Annex B the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006.
- (b) For the purposes of Articles 5A.1 to 5A.2 a person is to be treated as interested in a share if, but only if:
 - (i) he would be treated as so interested for the purposes of Part VI of the UK 1985 Act if section 203, section 208 and section 209 (but not section 205) of the UK 1985 Act applied to the Company; or
 - (ii) he is to be so treated by virtue of Article 5A.3(c).
- (c) For the purposes of any obligation of any person to give a notice to the Company under Article 5A.1, or to give to the Directors any information under Article 5A.4:

- (i) any person who is a party to an agreement to which this paragraph applies is to be treated as interested in shares in which any other party to that agreement is interested (whether or not the interest of the other party in question was acquired, in pursuance of the agreement); and
 - (ii) an interest of the party to such an agreement in shares is an interest apart from the agreement if he has or is treated as having that interest otherwise than by virtue of the application of this paragraph in relation to that agreement (and accordingly includes an interest which he is treated as having by virtue of the reference to section 203 or section 208 of the UK 1985 Act in Article 5A.3(b) or by virtue of the application of this paragraph in relation to another such agreement).
- (d) Article 5A.3(c) applies to any agreement to which section 204 of the UK 1985 Act would apply if the Company were a public company for the purposes of that section; and sub-sections 5 and 6 of that section shall be deemed to apply for the purpose of interpreting:
- (i) the word “**agreement**” in this paragraph; and
 - (ii) references elsewhere in these Articles to an agreement to which Article 5A.3(c) applies.
- (e) The Company shall not by virtue of anything done for the purposes of Articles 5A.1 to 5A.2 or this Article be deemed to be affected with notice of, or put upon enquiry as to, the rights of any person in relation to any shares.
- (f) For the avoidance of doubt, references in this Article to provisions of the UK 1985 Act shall not be affected by the fact that they may have been repealed by the UK 2006 Act and are included for the purposes of incorporating in these Articles the text set out therein.

5A.4 **Disenfranchisement notice**

The Board may at any time serve an Information Notice upon a member. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice (“**relevant shares**”) to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this Article called a “**disenfranchisement notice**”) whereupon the following sanctions shall apply:

(a) **Voting**

the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to be present or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

(b) **Dividends and transfers**

where the relevant shares represent at least 0.25 per cent. in par value of their class:

- (i) any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it; and
- (ii) subject in the case of uncertificated shares to the Uncertificated Regulations on transfer, other than an approved transfer, of any relevant shares held by the

member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

5A.5 Withdrawal notice

The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the shares to which the same relates a notice in writing to that effect (a "**withdrawal notice**").

5A.6 Cessation of sanctions

Where the sanctions under Article 5A.4 (Disenfranchisement notice) apply in relation to any shares they shall cease to have effect:

- (a) if the shares are transferred by means of an approved transfer;
- (b) at the end of the period of one week (or such shorter period as the Board may determine) following receipt by the Company of the information required by the notice mentioned in Article 5A.4 and the Board being fully satisfied that such information is full and complete; or
- (c) on the date on which a withdrawal notice is served by the Company.

5A.7 Certificated form

The Board may:

- (a) give notice in writing to any member holding relevant shares in uncertificated form requiring the member to change his holding of such shares from uncertificated form into certificated form within a specified period and then to hold such relevant shares in certificated form until the issue of a withdrawal notice; and
- (b) appoint any person to take any steps, by instruction by means of an Uncertificated System or otherwise, in the name of any holder of relevant shares as may be required to change such shares from uncertificated form into certificated form (and such steps shall be effective as if they had been taken by such holder).

6. Redemption of Shares

- 6.1 Subject to the Act and the Articles, the Company may purchase, redeem or otherwise acquire its own Shares provided that the Company continues to have at least one Shareholder at all times.
- 6.2 Unless Shares are expressed to be redeemable, the Company may only purchase, redeem or otherwise acquire them pursuant to –
 - 6.2.1 an offer to all Shareholders which, if accepted, would leave the relative rights of the Shareholders unaffected and which affords each Shareholder a period of not less than 14 days within which to accept the offer; or
 - 6.2.2 an offer to one or more Shareholders in respect of which the Directors have passed a resolution stating that in their opinion the transaction

benefits the remaining Shareholders and the terms of the offer are fair and reasonable to the Company and the remaining Shareholders.

- 6.3 The Company may only purchase, redeem or otherwise acquire Shares if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after the purchase, redemption or other acquisition satisfy the Solvency Test.
- 6.4 Shares that the Company purchases, redeems or otherwise acquires pursuant to this Article shall be cancelled.

7. Alteration of Share Capital

The Directors may alter the Company's Share capital comprising Shares with par value in any way and, in particular but without prejudice to the generality of the foregoing, may –

- 7.1 consolidate and divide all or any such Shares into Shares of a larger amount;
- 7.2 redenominate all or any such Shares as Shares with a par value denominated in another currency on such basis as the Directors see fit; or
- 7.3 sub-divide all or any such Shares into Shares of smaller amount.

8. Reduction of Share Capital

The Company may, by a resolution of the Directors, reduce its share capital in any way provided that the Directors are satisfied, on reasonable grounds, that the Company will, immediately after such reduction, satisfy the Solvency Test.

9. Lien

- 9.1 The Company shall (unless the Directors resolve to the contrary in respect of any Share) have a first and paramount lien on every Share (not being a fully paid Share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.
- 9.2 The Company may sell in such manner as the Directors determine any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been given to the Shareholder or to the person entitled to it in consequence of the death, bankruptcy or winding up of the Shareholder, demanding payment and stating that if the notice is not complied with the Share may be sold.
- 9.3 In order to give effect to a sale under Article 9.2, the Directors may authorise some person to execute an instrument of transfer of the Share sold.
- 9.4 The net proceeds of any sale under Article 9.2, after payment of the costs of sale, shall be applied in payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of any certificate for the Share sold and subject to a like lien for any moneys not presently payable as existed upon the Share before the sale) be paid to the person entitled to the Share immediately prior to its sale.
- 9.5 The title of the transferee to any Share sold under Article 9.2 shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

10. Calls on Shares

- 10.1 Subject to the terms of issue of any Shares, the Directors may make calls upon the Shareholders in respect of any moneys unpaid on their Shares and each Shareholder shall (subject to receiving at least 14 days' notice specifying when

and where payment is to be made) pay to the Company as required by the notice the amount called on such Shareholder's Shares.

- 10.2 Where a call is made under Article 10.1:
 - 10.2.1 such call may be required to be paid by instalments;
 - 10.2.2 such call may, before receipt by the Company of any sum due thereunder, be revoked in whole or in part;
 - 10.2.3 payment of such call may be postponed in whole or part by the Company;
 - 10.2.4 a person upon whom such a call is made shall remain liable for calls made upon such person notwithstanding the subsequent transfer of the Shares in respect of which the call was made;
 - 10.2.5 such call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed; and
 - 10.2.6 the joint holders of a Share shall be jointly and severally liable to pay all such calls in respect thereof.
- 10.3 If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the rate of 5 per cent per annum, but the Directors may waive payment of the interest wholly or in part.
- 10.4 The Directors may make arrangements on the issue of Shares for a difference between the Shareholders in the amounts and times of payment of calls on their Shares.

11. Forfeiture

- 11.1 Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Article, and for this purpose, Shares issued for a promissory note, other written obligation to contribute money or property or a contract for future services are deemed not to be fully paid.
- 11.2 Notwithstanding the terms of issue of any Shares, a written notice of forfeiture specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.
- 11.3 The written notice of forfeiture referred to in Article 11.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment on or before the date named in the notice the Shares, or any of them, in respect of which payment is not made, will be liable to be forfeited.
- 11.4 Where a written notice of forfeiture has been issued pursuant to Article 11.3 and the requirements of the notice have not been complied with, the Directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates. The forfeiture shall include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.
- 11.5 The Company is under no obligation to refund any moneys to the Shareholder whose Shares have been cancelled pursuant to Article 11.4 and that Shareholder shall be discharged from any further obligation to the Company.

12. Transfer of Shares

- 12.1 Shares may be transferred by a written instrument of transfer signed by or on behalf of the transferor and containing the name and address of the transferee. The instrument of transfer shall also be signed by or on behalf of the transferee if registration as a holder of the Share imposes a liability to the Company on the transferee. The instrument of transfer must be sent for registration on behalf of the Company to the registered agent of the Company or such other person as the Directors may from time to time appoint.
- 12.2 Subject to Article 12.3, The Company shall, on receipt of an instrument of transfer complying with Article 12.1, by resolution of the Directors, approve the transfer of the Share and cause the name of the transferee of the Share to be entered in the register of members unless the Directors resolve to refuse or delay the registration of the transfer.
- 12.3 The Directors may, in their absolute discretion and without assigning any reason, refuse or delay the registration of a transfer of a Share, whether or not it is a fully paid Share. Where the Directors refuse or delay the registration of a transfer of a Share, the Company shall, as soon as practicable, send the transferor and the transferee notice of the refusal or delay.
- 12.4 The transfer of a Share is effective when the name of the transferee is entered on the register of members.
- 12.5 If the Directors are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, the Directors may—
- 12.5.1 accept such evidence of the transfer of Shares as they consider appropriate; and
- 12.5.2 determine that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.
- 12.6 A person becoming entitled to a Share in consequence of the death, bankruptcy or winding up of a Shareholder may, upon producing such evidence as the Directors may reasonably require, elect either to become the registered holder of the Share by giving notice to the Company to that effect or have some other person registered as the transferee by executing an instrument of transfer even though such person is not a Shareholder at the time of the transfer. Any instrument of transfer of the Shares must be in accordance with, and will be subject to, the provisions of this Article.
- 12.7 A person becoming entitled to a Share in consequence of the death, bankruptcy or winding up of a Shareholder shall have the rights to which such person would be entitled if that person were the registered holder of the Share, except that such person shall not, before being registered as the holder of the Share, be entitled to receive notice of, to attend or to vote at any meeting of the Shareholders, or any class of Shareholders, of the Company.

Allotment and pre-emption rights

12.8 Shares under the control of the Directors

Subject to the Act, the following provisions of these Articles and any resolution of the Company, all unissued shares in the Company shall be at the disposal of the Board and they may allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and on such terms as the Board may decide.

12.9 Pre-emption rights on allotment

Subject as indicated in Article 12.10, and unless the Company shall by resolution otherwise direct, unissued shares in the capital of the Company shall only be allotted for cash in accordance with the provisions of this Article:-

- 12.9.1 all shares to be allotted (the “**offer shares**”) shall first be offered to the members of the Company who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of members in the relevant jurisdiction in relation to which such compliance costs would be incurred (the “**relevant members**”);
 - 12.9.2 the offer to relevant members set out in Article 12.9.1 (the “**offer**”) shall be made in proportion to the existing holdings of shares of relevant members;
 - 12.9.3 the offer shall be made by written notice (the “**offer notice**”) from the Directors specifying the number and price of the offer shares and shall invite each relevant member to state in writing within a period, not being less than 14 days, whether they are willing to accept any offer shares and, if so, the maximum number of offer shares they are willing to take;
 - 12.9.4 at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant members who shall have notified to the Directors of their willingness to take any of the offer shares but so that no relevant member shall be obliged to take more than the maximum number of shares notified by him under Article 12.9.3; and
 - 12.9.5 if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant members.
- 12.10 The provisions of Article 12.9 shall not, for the avoidance of doubt, apply to the allotment any shares for a consideration other than cash, and, accordingly, the Directors may allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit.

13. Distributions

- 13.1 Subject to the Act, the Directors may authorise a Distribution by the Company to Shareholders at such time and of such amount as they think fit if they are satisfied, on reasonable grounds, that the Company will, immediately after the Distribution, satisfy the Solvency Test.
- 13.2 Where a Distribution has been made to a Shareholder and the Company did not, immediately after the Distribution, satisfy the Solvency Test, the Distribution (or the value thereof) may be recovered by the Company from the Shareholder in accordance with section 51 of the Act.
- 13.3 If several persons are registered as joint owners of any Shares, any one such person may give an effective receipt for any Distribution.

14. Distributions by way of Dividend

- 14.1 Subject to the Act and the Articles, the Company may, by a resolution of the Directors, declare and pay a Distribution by way of dividend in money, shares or other property at such time and of such amount as the Directors think fit if the Directors are satisfied, on reasonable grounds, that the Company will, immediately after the payment of the dividend, satisfy the Solvency Test.

14.2 Notice of any dividend that has been declared shall be given to each Shareholder entitled to receive the dividend or, in the case of joint owners of a Share, to the person who is first named in the register of members as specified in Article 28.1. All dividends unclaimed for 3 years after having been declared may be forfeited by a resolution of Directors for the benefit of the Company.

14.3 No dividend shall bear interest as against the Company.

15. Meetings and Consents of Shareholders

15.1 The Directors may convene meetings of the Shareholders or any class of Shareholders at such times and in such manner and places within or outside the Isle of Man as they consider appropriate.

15.2 Upon the written request of a Shareholder or Shareholders entitled to exercise 10 per cent or more of the Voting Rights in respect of the matter for which the meeting is requested, the Directors shall convene a meeting of Shareholders or class of Shareholders.

15.3 When convening a Shareholders' meeting or a meeting of a class of Shareholders, the Directors shall give not less than 14 days' notice of such meeting to those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and who are entitled to vote at the meeting.

15.4 A meeting of Shareholders or a class of Shareholders held in contravention of the requirement to give not less than 14 days' notice is valid if a Shareholder or Shareholders holding at least 90 per cent of the total Voting Rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute a waiver in relation to all the Shares which that Shareholder holds.

15.5 The inadvertent failure of the Directors to give notice of a meeting to a Shareholder or the fact that a Shareholder has not received notice, does not invalidate the meeting.

15.6 A Shareholder may be represented at a meeting of Shareholders or a class of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.

15.7 The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.

15.8 The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

PORT ERIN BIOPHARMA INVESTMENTS LIMITED

I/We being a Shareholder of the above Company HEREBY APPOINT [] of [] or failing him/her [] of [] to be my/our proxy to speak and vote for me/us at the meeting of Shareholders to be held on the [] day of [] and at any adjournment thereof.

(Any restrictions on voting to be inserted here)

Signed this [] day of [] 20[]

Shareholder

- 15.9 The following applies where Shares are jointly owned –
- 15.9.1 each of the joint owners may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
- 15.9.2 if only one of the joint owners is present in person or by proxy, that person may vote on behalf of all joint owners; and
- 15.9.3 if 2 or more of the joint owners are present in person or by proxy, the vote of the senior joint owner shall be accepted to the exclusion of the votes of the other joint owners and seniority shall be determined by the order in which the names of the owners stand in the register of members.
- 15.10 A Shareholder shall be deemed to be present at a Shareholders' meeting or a meeting of a class of Shareholders if that person participates by telephone or other electronic means and all Shareholders participating in the meeting are able to communicate with each other.
- 15.11 A meeting of Shareholders or class of Shareholders is duly constituted and quorate if, at the commencement of the meeting, there are present in person (in the case of a Shareholder who is an individual) or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) a Shareholder or Shareholders holding at least 10 per cent of the Voting Rights entitled to be exercised at the meeting. A quorum may comprise a single Shareholder present in person (in the case of a Shareholder who is an individual) or by duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) in which case such person may pass a resolution of the Shareholders or class of Shareholders and a certificate signed by such person accompanied, where such person is a proxy, by a copy of the proxy instrument, shall constitute a valid resolution of the Shareholders.
- 15.12 If within 2 hours from the time appointed for the meeting a quorum is not present, the meeting, if convened at the request of Shareholders, shall be dissolved; in any other case, it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person (in the case of a Shareholder who is an individual) or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) a Shareholder or Shareholders holding at least 10 per cent of the Voting Rights entitled to be exercised at the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.
- 15.13 At every meeting of Shareholders or class of Shareholders, the chairman, if any, of the Board shall preside as chairman of the meeting. If there is no chairman of the Board or if the chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the Shareholder with the most Voting Rights present at the meeting in person (in the case of a Shareholder who is an individual) or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) shall preside as chairman failing which the longest registered Shareholder present in person (in the case of a Shareholder who is an individual)

or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) shall take the chair.

- 15.14 The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 15.15 Unless otherwise specified in the Act or in the Memorandum or Articles, the exercise by the Shareholders or a class of Shareholders of a power which is given to them under the Act or the Memorandum or Articles shall be by –
- 15.15.1 a resolution passed at a meeting of the Shareholders or class of Shareholders; or
- 15.15.2 a resolution consented to in writing by the Shareholders or class of Shareholders.
- 15.16 Subject to any rights or restrictions attached to any Shares, at any meeting of the Shareholders or any class of Shareholders, on a show of hands every Shareholder present in person (in the case of a Shareholder who is an individual) or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) shall have one vote and on a poll (whether the poll is conducted by written ballot or otherwise) every shareholder shall have one vote for every Share of which it is the holder.
- 15.17 A resolution put to the vote of a meeting of the Shareholders or a class of Shareholders shall be decided on a show of hands unless before or on the declaration of the result of the resolution a poll is duly demanded. A poll may be demanded by:
- 15.17.1 the chairman;
- 15.17.2 at least two Shareholders having the right to vote at the meeting; or
- 15.17.3 a Shareholder or Shareholders holding at least 10 per cent of the Voting Rights entitled to be exercised at the meeting,
- and a demand by a duly appointed representative or a proxy for a Shareholder shall be the same as a demand by the Shareholder.
- 15.18 Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 15.19 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 15.20 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be a resolution made at the meeting at which the poll was demanded.
- 15.21 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other

than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

- 15.22 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least 7 clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- 15.23 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
- 15.24 Any Shareholder which is a body corporate may, by resolution of its directors or other governing body, authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which the individual represents as that Shareholder could exercise if it were an individual.
- 15.25 A Shareholder in respect of whom an order has been made by any court having jurisdiction (whether in the Isle of Man or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may vote by proxy. Evidence to the satisfaction of the chairman of the authority of the person claiming to exercise the right to vote shall be deposited at the registered office of the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.
- 15.26 The chairman of any meeting at which a vote is cast on behalf of any Shareholder which is a body corporate may call for such evidence of authority of the representative to exercise the rights of the Shareholder as the chairman may reasonably require.
- 15.27 A vote given or poll demanded by proxy or by a duly appointed representative (in the case of a Shareholder who is a body corporate) shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at its registered office or at such other place at which the instrument of proxy was duly deposited before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.
- 15.28 Directors may attend and speak at any Shareholders' meeting and at any separate meeting of a class of Shareholders.
- 15.29 Subject to any requirement for a higher majority specified in the Act or in the Memorandum or Articles, a resolution of the Shareholders or a class of Shareholders is passed at a meeting of such Shareholders if it is approved, if the resolution is voted upon by a show of hands, by a majority of the Shareholders voting, or if the resolution is voted upon by a poll, by a Shareholder or Shareholders holding a majority of the Voting Rights exercised in relation thereto.
- 15.30 Any action that may be taken by the Shareholders or a class of Shareholders at a meeting may also be taken by a resolution consented to in writing, by a Shareholder or Shareholders or the member or members of a class of Shareholders holding in excess of 50 per cent of the Voting Rights in relation thereto (subject to any requirement specified in the Act or the Articles for a

resolution to be passed by a particular majority) provided that a copy of the proposed resolution is sent to all of the persons entitled to consent to it. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders or by one or more members of the class of Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders or members of the class of Shareholders holding a sufficient number of votes to constitute a resolution of Shareholders or the class of Shareholders have consented to the resolution by signed counterparts. If any written resolution of the Shareholders or the class of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders or all members of the class of Shareholders, a copy of such resolution shall be sent to all Shareholders or all the members of the class of Shareholders not consenting to such resolution forthwith upon it taking effect.

16. Directors

- 16.1 The Shareholders shall appoint one or more persons as the first Directors within one month of the date of incorporation of the Company and thereafter the Directors may be appointed by a resolution of the Shareholders or by a resolution of the Directors.
- 16.2 The minimum number of Directors shall be one and there shall be no maximum number.
- 16.3 Each Director holds office for the term, if any, fixed by the resolution of Shareholders or the resolution of the Directors appointing such person, or until such person's earlier death, resignation or removal or until such person is no longer permitted to act as a Director under section 93 of the Act. If no term is fixed on the appointment of a Director, the Director serves indefinitely until such person's earlier death, resignation or removal or until such person is no longer permitted to act as a Director under section 93 of the Act.
- 16.4 A person shall not be permitted to act as a Director and the office of Director shall be vacated if:
 - 16.4.1 an individual is under 18 years of age;
 - 16.4.2 a person who is a disqualified person;
 - 16.4.3 an undischarged bankrupt;
 - 16.4.4 a person who in respect of a particular company, is disqualified by the memorandum or articles from being a director of the company;
 - 16.4.5 in the case of a director which is a body corporate or other legal person (not being an individual), if the requirements specified in section 91 (7) are not met; or
 - 16.4.6 a person who ceases to exist (by way of dissolution or otherwise)
- 16.5 A Director may be removed from office by –
 - 16.5.1 a resolution passed at a meeting of Shareholders called for the purpose of removing the Director or for purposes including the removal of the Director; or
 - 16.5.2 a written resolution consented to by a Shareholder or Shareholders holding at least 75 per cent of the Voting Rights in relation thereto; or
 - 16.5.3 a resolution of the Directors.

- 16.6 A Director may resign his or her office by giving written notice of resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice.
- 16.7 The Company shall keep a register of Directors containing –
- 16.7.1 the names and business or residential address of the persons who are Directors provided that if the register does not contain the residential address of a Director, the registered agent of the Company shall maintain a separate record of such address;
- 16.7.2 the date on which each person whose name is entered in the register was appointed as a Director; and
- 16.7.3 the date on which each person named as a Director ceased to be a Director of the Company.
- 16.8 The register of Directors may be kept in any such form as the Directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents.
- 16.9 The Directors may, by resolution, fix the emoluments of Directors with respect to services to be rendered in any capacity to the Company.
- 16.10 The Directors may, by resolution, pay the Directors all expenses properly incurred by the Directors in the discharge of their duties.
- 16.11 A Director is not required to hold a Share as a qualification to hold office.

17. Powers of Directors

- 17.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of the Directors. Subject to the Provisions of the Act, the Memorandum of Association of the Company and these Articles and to any direction given by a resolution of the Company, the Directors have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The Directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company other than those required by the Act or by the Memorandum or the Articles to be exercised by the Shareholders.
- 17.2 Each Director shall exercise that person's powers as Director for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Act, the Memorandum or the Articles. Each Director, in exercising powers or performing duties as Director, shall act honestly and in good faith in what the Director believes to be the best interests of the Company.
- 17.3 Any Director which is a body corporate may appoint any individual as its duly appointed representative for the purpose of representing it at meetings of the Directors, of any committee of Directors or of Shareholders and with respect to the signing of any consent or otherwise.
- 17.4 The continuing Directors may act notwithstanding any vacancy in the Board, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a meeting of Shareholders or class of Shareholders.
- 17.5 The Directors may exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.

- 17.6 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by the Directors.
- 17.7 Any written contract, deed, instrument, power of attorney or other document may be made or executed on behalf of the Company by any person acting with the authority of the Directors and for these purposes any Director shall be deemed to have such authority.

18. Proceedings of Directors

- 18.1 Unless otherwise specified in the Act or in the Memorandum or Articles, the exercise by the Directors of a power given to them under the Act or the Memorandum or Articles shall be by a resolution passed at a meeting of, or consented to in writing by, the Directors or any committee of the Directors.
- 18.2 Subject to any contrary provision in the Memorandum or Articles, a resolution of Directors is passed at a meeting of the Directors if it is approved by a majority of the Directors who are present at such meeting and (being entitled to do so) vote thereon. In the case of an equality of votes, the chairman of the Board shall have a second or casting vote.
- 18.3 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they see fit.
- 18.4 Any one Director may call a meeting of the Directors by sending notice to each other Director.
- 18.5 A Director shall be given reasonable notice of meetings of Directors save that any Director may waive this requirement to be given notice either before or after such meeting.
- 18.6 The Directors or any committee of Directors may meet at such times and in such manner and places within or outside the Isle of Man as the Directors or any committee of the Directors may determine to be necessary or desirable.
- 18.7 A Director is deemed to be present at a meeting of the Directors or at a meeting of any committee of Directors if such Director participates by telephone or other electronic means and all Directors participating in the meeting are able to communicate with each other.
- 18.8 A Director may by a written instrument appoint an alternate who need not be a Director and may remove from office any alternate director appointed by such Director. If a Director ceases to be a Director, the appointment of any alternate made by the Director shall also cease.
- 18.9 An alternate director shall be entitled to receive notice of all meetings of Directors and of all meetings of any committee of Directors of which such alternate's appointor is a member, to attend meetings of the Directors or any committee of Directors (as appropriate) in the absence of the Director who appointed such alternate and to vote or consent in the place of such Director and generally perform all the functions of such Director in his absence (including the signing of written resolutions), until the appointment lapses or is terminated.
- 18.10 An alternate director shall not be entitled to receive any remuneration from the Company for the services performed as an alternate.

- 18.11 An alternate director shall be deemed for all purposes to be a Director and shall alone be responsible for such alternate director's acts and defaults and shall not be deemed to be the agent of such alternate director's appointor.
- 18.12 A meeting of the Directors is duly constituted and quorate for all purposes if at the commencement of the meeting there are 2 Directors present either in person (in the case of a Director who is an individual) or by a duly appointed representative (in the case of a corporate Director) or by an alternate (in either case).
- 18.13 If the Company has only one Director, the provisions contained in this Article for meetings of the Directors do not apply and such sole Director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting, the sole Director shall record in writing and sign a note or memorandum of all matters requiring a resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
- 18.14 At meetings of the Directors at which the chairman of the Board is present, such person shall preside as chairman of the meeting. If there is no chairman of the Board or if the chairman of the Board is not present, the Directors present shall choose one of their number to be chairman of the meeting.
- 18.15 Any action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a resolution of Directors or a committee of Directors consented to in writing by a majority of the Directors or by a majority of the members of a committee of Directors provided that a copy of the proposed resolution is sent to all of the persons entitled to consent to it. The consent may be in the form of counterparts, each counterpart being signed by one or more Directors or by one or more members of the committee of Directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which a majority of the Directors or members of the committee of Directors has consented to the resolution by signed counterparts. If any written resolution of the Directors or committee of Directors is adopted otherwise than by the unanimous written consent of all Directors or all members of the committee of Directors, a copy of such resolution shall be sent to all Directors or members of the committee of Directors not consenting to such resolution forthwith upon it taking effect.

19. Committees

- 19.1 The Directors may designate one or more committees, each consisting of one or more Directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee. Any such delegation may be made subject to any conditions the Directors may impose, may be made collaterally with, or to the exclusion of, their own powers and may be revoked or altered.
- 19.2 The Directors have no power to delegate to a committee of Directors any of the following powers –
- 19.2.1 to amend the Memorandum or the Articles;
 - 19.2.2 to change the registered office or registered agent;
 - 19.2.3 to designate committees of Directors;
 - 19.2.4 to delegate powers to a committee of Directors;
 - 19.2.5 to appoint or remove Directors;

- 19.2.6 to appoint or remove an agent to act on behalf of the Company;
 - 19.2.7 to fix emoluments of Directors;
 - 19.2.8 to approve a scheme of merger, consolidation or arrangement;
 - 19.2.9 to make a declaration of solvency;
 - 19.2.10 to make a determination that the Company satisfies the Solvency Test;
or
 - 19.2.11 to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the Isle of Man.
- 19.3 Articles 19.2.3 and 19.2.4 do not prevent a committee of Directors, where authorised by the Directors, from appointing such committee or, by a subsequent resolution of the Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 19.4 The meetings and proceedings of each committee of Directors consisting of 2 or more Directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of meeting of Directors so far as they are not superseded by any provisions in the resolution of the Directors establishing the committee.

20. Officers, Agents and Attorneys

- 20.1 The Directors may appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board, a secretary, a managing director and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 20.2 The officers shall perform such duties as are prescribed at the time of their appointment, subject to any modification in such duties as may be prescribed subsequently by the Directors.
- 20.3 The emoluments of all officers shall be fixed by the Directors.
- 20.4 The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the Directors may be removed at any time, with or without cause, by the Directors. Any vacancy occurring in any office of the Company may be filled by the Directors.
- 20.5 The Directors may appoint any person, including a person who is a Director, to be an agent of the Company. An agent of the Company shall have such powers and authority of the Directors, including the power and authority to affix the Seal, as are set forth in the Resolution of Directors appointing the agent, except that no agent has any power or authority to approve any of the following acts—
- 20.5.1 to amend the Memorandum or the Articles;
 - 20.5.2 to change the registered office or registered agent;
 - 20.5.3 to designate committees of Directors;
 - 20.5.4 to delegate powers to a committee of Directors;
 - 20.5.5 to appoint or remove Directors;
 - 20.5.6 to appoint or remove an agent to act on behalf of the Company;
 - 20.5.7 to fix emoluments of Directors;

- 20.5.8 to approve a scheme of merger, consolidation or arrangement;
 - 20.5.9 to make a declaration of solvency;
 - 20.5.10 to make a determination that the Company satisfies the Solvency Test;
or
 - 20.5.11 to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the Isle of Man.
- 20.6 The resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company. The Directors may remove an agent appointed by the Company and may revoke or vary a power conferred on such agent.
- 20.7 The Company may, by instrument in writing executed in accordance with section 86 of the Act, appoint a person as its attorney either generally or in relation to a specific matter on such terms and conditions as the Directors determine.

21. Change of Registered Agent, Registered Office and Name

- 21.1 The Company may by resolution of Shareholders or by resolution of Directors change the location of its registered office or change its registered agent.
- 21.2 The Company may make an application to the Registrar to change its name or its foreign character name (if any). Such an application to the Registrar may be authorised by a resolution of Shareholders or by resolution of Directors.

22. Conflict of Interests

- 22.1 A Director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to the Board.
- 22.2 For the purposes of Article 22.1, a disclosure to the Board to the effect that a Director is also a member, director, officer or trustee of another named company or any other arrangement and is to be regarded as interested in any transaction which may, after the date of the disclosure, be entered into between the Company and that other company or person, is a sufficient disclosure of interest in relation to that transaction.
- 22.3 A disclosure made pursuant to Article 22.1 shall be made or brought to the attention of every Director on the Board, provided that a disclosure shall be deemed to have been so made if it is made at the meeting of the Directors at which the transaction was first considered or, if the Director in question was not at the date of that meeting interested in the transaction or aware that such Director was so interested, at the first meeting of the Directors held after the Director became so aware or so interested (as the case may be).
- 22.4 Subject to Articles 22.1 to 22.3, a Director who is interested in a transaction entered into or to be entered into by the Company may –
 - 22.4.1 vote on a matter relating to the transaction;
 - 22.4.2 attend a meeting of the Directors at which a matter relating to the transaction arises and be included among the Directors present at the meeting for the purposes of a quorum; and
 - 21.4.3 sign a document on behalf of the Company, or do any other thing in that person's capacity as a Director, that relates to the transaction.

- 22.5 Provided that a Director has disclosed any interest in accordance with the Act and the Articles, a Director, notwithstanding his office –
- 22.5.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- 22.5.2 may be a director or other officer of, or employed by, or 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 otherwise interested; and
- 22.5.3 shall not by reason of his or her office, be accountable to the Company for any benefit which such Director derives from any such office 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.

23. Indemnification

- 23.1 The Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who –
- 23.1.1 is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director; or
- 23.1.2 is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
- 23.2 The indemnity in Article 23.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that the conduct of such person was unlawful.
- 23.3 The decision of the Directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that such person's conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles unless a question of law is involved.
- 23.4 The termination of any proceedings by any judgment, order, settlement or conviction does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that the conduct of such person was unlawful.
- 23.5 Expenses, including legal fees, incurred by a Director or a former Director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposal of such proceedings upon receipt of an undertaking given by or on behalf of the Director or former Director to repay the amount if it shall ultimately be determined that the Director or former Director is not entitled to be indemnified by the Company in accordance with Article 23.1.
- 23.6 The indemnification and advancement of expenses provided by or granted pursuant to this Article is not exclusive of any other rights to which the person

seeking indemnification or advancement of expenses may be entitled under any agreement, resolution of the Shareholders, resolution of the Directors or otherwise, both as to acting in the person's official capacity and as to acting in another capacity while serving as a Director.

- 23.7 If a person referred to in Article 23.1 has been successful in defence of any proceedings referred to in Article 23.1, that person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by such person in connection with the proceedings.
- 23.8 The Company may purchase and maintain insurance in relation to any person who is or was a Director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against that person and incurred by that person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

24. Records

- 24.1 The Company shall keep the following documents at the office of its registered agent –
- 24.1.1 copies of the Memorandum and the Articles signed by each of the subscribers;
 - 24.1.2 the register of members, or a copy of the register of members;
 - 24.1.3 the register of Directors, or a copy of the register of Directors;
 - 24.1.4 the register of charges, or a copy of the register of charges;
 - 24.1.5 copies of all notices and other documents filed by the Company with the Registrar in the previous 6 years;
 - 24.1.6 any accounting records that it is required to keep under the Act; and
 - 24.1.7 if either the register of members or register of Directors does not show a person's residential address, a separate record of such person's residential address.
- 24.2 Unless the Directors determine otherwise, the Company shall keep the original register of members, the original register of Directors and the original register of charges at the office of its registered agent.
- 24.3 If the Company maintains only a copy of the register of members or a copy of the register of Directors or a copy of the register of charges at the office of its registered agent, it shall –
- 24.3.1 provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of Directors or the original register of charges is kept;
 - 24.3.2 if the place at which any such records are kept is changed, immediately provide the registered agent with the physical address of the new location of the records; and
 - 24.3.3 immediately notify the registered agent in writing of any change to any register.

- 24.4 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the Isle of Man, as the Directors may determine –
- 24.4.1 minutes of meetings and resolutions of the Shareholders or of any class of Shareholders; and
 - 24.4.2 minutes of meetings and resolutions of the Directors and committees of Directors.
- 24.5 If the records referred to in Article 24.4 are not kept at the office of the Company's registered agent, the Company shall –
- 24.5.1 provide the registered agent with a written record of the physical address of the place of places at which such records are kept; and
 - 24.5.2 if the place at which any such records are kept is changed, provide the registered agent with the physical address of the new location of the records within 14 days of the change of location.
- 24.6 The records kept by the Company under this Article must be kept in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act 2000.

25. Register of Charges

The Company shall keep a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company over any property of the Company –

- 25.1 the date of creation of the charge or, if the charge is a charge existing on property acquired by the Company, the date on which the property was acquired;
- 25.2 a short description of the liability secured by the charge;
- 25.3 a short description of the property charged;
- 25.4 the name and address of the chargee;
- 25.5 details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge;
- 25.6 any variation in the terms of the charge; and
- 25.7 if any charge ceases to affect the property of the Company.

26. Seal

A Seal may be adopted by the Company by resolution of the Directors. The Directors shall provide for the safe custody of the Seal and for an imprint of it to be kept at the office of its registered agent. The Seal, when affixed to any written instrument, shall be witnessed and attested to by the signature of any one Director or other person so authorised from time to time by the Directors.

27. Accounts and Audit

- 27.1 The Company shall keep reliable accounting records which correctly explain the Company's transactions, enable the financial position of the Company to be determined with reasonable accuracy at any time and allow financial statements to be prepared.

- 27.2 The Directors or the Shareholders may, by resolution, require financial statements of the Company to be prepared. Such financial statements shall comprise a statement recording the assets and liabilities of the Company and a statement recording the receipts, payments and other financial transactions undertaken by the Company together with such notes as may be necessary for a reasonable understanding of such statements.
- 27.3 The Directors or the Shareholders may, by resolution, require the financial statements to be examined by an auditor and, in such a case, Articles 27.4 to 27.8 shall apply.
- 27.4 The first auditor shall be appointed by the Directors. Subsequent auditors shall be appointed by the Shareholders or by the Directors. An auditor may be removed by the Directors or by the Shareholders.
- 27.5 No Shareholder, Director or other officer of the Company shall be eligible to be an auditor of the Company.
- 27.6 The remuneration of the auditor of the Company may be fixed by the Directors.
- 27.7 The auditor shall examine the financial statements and shall state in a written report whether or not –
- 27.7.1 in the opinion of the auditor, the financial statements give a true and fair view respectively of the receipts, payments and other transactions undertaken by the Company for the period covered by the financial statements, and of the assets and liabilities of the Company at the end of that period; and
- 27.7.2 all the information and explanations required by the auditor have been obtained.
- 27.8 Every auditor shall have a right of access at all times to the accounting records and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as such auditor thinks necessary for the performance of the auditor's duties.

28. Notices

- 28.1 Any notice, information or written statement to be given by the Company to Shareholders may be given by:
- 28.1.1 electronic communication to the Shareholder;
- 28.1.2 personal service addressed to the Shareholder at the address shown in the register of members; or
- 28.1.3 mail addressed to the Shareholder at the address shown in the register of members.
- 28.2 Any notice, information or written statement may only be given by the Company to a Shareholder by electronic communication if the Shareholder has indicated to the Company its willingness to receive any notice, information or written statement in the form and manner used. Any indication for such purposes:
- 28.2.1 must be given to the Company in such manner as the Directors may require;
- 28.2.2 may be a general indication or an indication that is limited to notices, information or statements of a particular description;

- 28.2.3 must state the address to be used;
- 28.2.4 must be accompanied by such other information as the Company requires for making the electronic communication; and
- 28.2.5 may be modified or withdrawn at any time by a notice given to the Company.
- 28.3 In the case of joint owners of a Share, all notices shall be given to the senior joint owner and seniority shall be determined by the order in which the names of the owners stand in the register of members. Notice so given shall be sufficient notice to all the joint owners.
- 28.4 Proof that an envelope containing such notice, information or written statement was properly addressed, pre-paid and posted shall be conclusive evidence that it was given by mail. Any notice, information or written statement shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted or, in the case of any notice, information or written statement given by electronic communication, at the expiration of 48 hours after the time it was sent.
- 28.5 A Shareholder present, either in person (in the case of a Shareholder who is an individual) or by a duly appointed representative (in the case of a Shareholder who is a body corporate) or by proxy (in either case) at any meeting of Shareholders or class of Shareholders shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 28.6 Every person who becomes entitled to a Share shall be bound by any notice in respect of that Share which, before its name is entered in the register of members, has been duly given to a person from whom it derives title.
- 28.7 A notice may be given by the Company to persons entitled to a Share in consequence of the death, bankruptcy or winding up of a Shareholder by sending or delivering it, in any manner authorised by the Articles for the giving of notice to a Shareholder, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or liquidator or by any like description at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death, bankruptcy or winding up had not occurred.
- 28.8 Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it with, or by sending it by registered mail to, the registered office or registered agent of the Company.
- 28.9 Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

29. Discontinuance

The Company may apply to the Registrar for consent to be continued in a country or territory outside the Isle of Man in accordance with section 167 of the Act.

30. Re-registration

The Company may apply to the Registrar under section 143 of the Act to re-register as a company of another type specified in section 1 of the Act. The Company may only re-register as a company limited by guarantee or an unlimited company without shares if, upon re-registration, it shall have no Shares in issue.

31. Merger or Consolidation

The Company may merge or consolidate with other companies in accordance with section 153 of the Act.

32. Arrangements

The Company may make arrangements in accordance with section 157 of the Act.

33. Voluntary Winding Up

33.1 The Company may by a resolution of the Shareholders resolve that the Company be wound up voluntarily.

33.2 If the Company is being wound up, the liquidator may, with the sanction of a resolution of the Shareholders, divide among the Shareholders *in specie* the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or the shareholders of different Classes. The liquidator may, with the sanction of a resolution of the Shareholders, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction determines, but no Shareholder shall be compelled to accept any assets upon which there is a liability.

The subscriber agrees to the terms of the Articles of Association and has signed the Articles of Association on the date specified against such subscriber's name below:

Subscriber	Date
<p>Galloway Limited c/o 4th Floor, Viking House Nelson Street Douglas Isle of Man</p> <hr/> <p>Nicholas James Woolard</p> <hr/> <p>For and on behalf of:- Rivington Street Ventures Limited 18 Athol Street , Douglas, Isle of Man, IM1 1JA</p> <p>Tom Winniffrith</p>	<p>4th May 2011</p>

For and on behalf of:-
SF t1ps Smaller Companies Growth Fund
Oxford House
Oxford Road
Aylesbury
Buckinghamshire HP21 8SZ