

PRIVATE COMPANY LIMITED BY SHARES

Written Resolutions

of

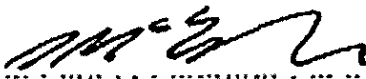
INSTRUMENTEL LIMITED (the "Company")

Company No. 04325633

On 6 January 2016, the following resolutions were passed as special resolutions of the Company.

SPECIAL RESOLUTIONS

1. That each of the 703,766 Ordinary Shares of £0.10 each issued in the capital of the Company at the date of these written resolutions be each subdivided converted to and re-designated into one ordinary B share of £0.01 and one deferred share of £0.09 each, each such shares to confer on the holder the rights and restrictions set out in the articles of association of the Company to be adopted pursuant to Resolution 3 below.
2. That the pre-emption provisions in the New Articles in relation to the issue of equity securities be waived in respect of equity securities to be allotted.
3. That regulations contained in the printed document attached to these written resolutions (the "New Articles") be and the same are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association thereof.



Director

TUESDAY



A17 *A52AYTY8* 08/03/2016 #269
COMPANIES HOUSE

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

INSTRUMENTEL LIMITED

(Company No. 04325633)

(Adopted by special resolution passed on 6 January 2016)

INTRODUCTION

1. INTERPRETATION

1.1 The following definitions and rules of interpretation apply in these Articles

Act: the Companies Act 2006

acting in concert: has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended)

Adoption Date: the date of adoption of these Articles

Affiliate: means with respect to a person (the 'First Person')

- (a) another person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the First Person,
- (b) a pooled investment vehicle organised by the First Person (or an Affiliate thereof) the investment of which are directed by the First Person;
- (c) a partner or an officer or employee of the First Person (or an Affiliate thereof),
- (d) an investment fund organised by the First Person for the benefit of the First Person's (or its Affiliates') partners, officers or employees or their dependants, or
- (e) a successor trustee or nominee for, a successor by re-organisation of a qualified trust

Articles: the Company's articles of association for the time being in force

Bad Leaver: an Employee who becomes a Departing Employee in circumstances where he is not a Good Leaver

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business

Chairman: has the meaning given to it in *article 6 6*,

Company: means Instrumentel Limited (Company number 04325633)

Company's Lien: has the meaning given to it in *article 23 1*

connected: has the meaning given in section 252 of the Act

Controlling Interest: an interest in Shares conferring on the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010

Compulsory Employee Transfer: a transfer pursuant to article 16

Deemed Transfer Notice: a transfer notice which is deemed to have been served by any of the provisions of these Articles

Deferred Shares mean the deferred shares of £0.09 in the Company

Departing Employee: an Employee who ceases to be a director or employee of any Group Company and who does not continue as, or become, a director or employee of any Group Company

Directors: the directors of the Company from time to time

Disposal: the disposal by the Company of all, or a substantial part of, its business and assets

Eligible Director: means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter)

Employee: an individual who is, or has been, a director and/or an employee of, or who does provide or has provided consultancy services to, any Group Company

Equity Shares: the Ordinary A Shares, the Ordinary B Shares and the Ordinary C Shares

Exit: a Share Sale, a Disposal or an IPO

Expert: means the Company's auditors or accountants (as the case may be) or, in the event they refuse any such instruction, such person as is appointed, at the request of either party, by the president of the Institute of Chartered Accountants in England and Wales being an accountant of repute with experience in the valuation of private companies limited by shares

Fair Value: the price per Relevant Share determined by the Expert (acting as expert and not as arbitrator and whose decision shall be final and binding) as the fair market value in his opinion on the following bases and assumptions

- (a) the Expert shall first determine the fair market value of the entire issued share capital of the Company and shall then determine the Fair Value of a Relevant Share of a particular class by applying the principles set out in article 10 and article 11 as if the fair market value of the entire issued share capital of the Company was distributed on that basis (and on the basis of no premium or discount for the size of the Seller's shareholding or for the rights or restrictions applying to the shares under this agreement or the articles of association of the Company),
- (b) the sale is between a willing buyer and a willing seller on the open market,
- (c) the sale is taking place on the date that the transfer notice is deemed to have been served,
- (d) the Company shall continue to be carried on as a going concern, and
- (e) the Relevant Shares are sold free of all liens, charges and other encumbrances

Family Trust: means the trustees of a family trust set up wholly for the benefit of a Shareholder or one or more of his Family Members or any charity or charities as default beneficiaries only

Family Member: the spouse, civil partner or children and grandchildren (including step and adopted children) aged 18 or over, and in relation to a shareholder which is a Family Trust, the spouse, civil partner or children and grandchildren (including step and adopted children) aged 18 or over of the beneficiaries of such trust

Financial Year: an accounting reference period (as defined in section 391 of the Act) of the Company

Good Leaver: an Employee who becomes a Departing Employee by reason of

- (a) death,
- (b) disability or incapacity through ill-health rendering the Employee incapable of continued employment in his current position (or a comparable position at the location he is employed or otherwise provides his services at the time he becomes a Departing Employee),
- (c) retirement at normal retirement age,
- (d) ceasing to be employed by any Group Company as a result of a Group Company ceasing to be a Group Company, or
- (e) dismissal by the Company (or other Group Company) which is determined, by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal or in respect of which any period for appeal has expired, to be wrongful or constructive or unfair (other than on procedural grounds)

Group: the Company, any subsidiary or any holding company from time to time of the Company, and any subsidiary from time to time of a holding company of the Company from time to time and **Group Company** shall be construed accordingly

holding company: has the meaning given in article 1 10

Investment Agreement: the investment agreement dated on or around the Adoption Date between, amongst others, the Company and Alycidon Capital Limited (as the same may have been varied, supplemented, adhered to or superseded in accordance with its terms for the time being)

Investor: a holder for the time being of Ordinary A Shares and its Permitted Transferees

Investor Consent: the prior consent in writing of an Investor Majority

Investor Director: has the meaning given in *article 6 1*

Investor Director Consent: the prior written notice of an Investor Director

Investor Majority: the holder(s) for the time being of not less than 51% by nominal value of all Ordinary A Shares from time to time

IPO: the first public offering of any class of equity securities by the Company (or a new holding company interposed for the purposes of being a successor of the Company) in the legal form (after conversion if necessary) that results in a listing of such class of securities on a public securities market, whether effective by way of an offer for sale, a new issue of shares on introduction, a placing or otherwise

IPO Shares means the issued equity share capital of the Company at the date of any IPO (excluding any equity share capital to be subscribed and issued on such IPO other than new shares to be paid up by way of capitalisation of reserves or arising from any sub-division, consolidation or conversion of shares)

"IPO Value" means, in the event of a IPO, the market value of the IPO Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the IPO, all as determined by the financial advisers to the Company or, if none, the broker appointed by the Board to advise in connection with the IPO

Issue Price: in respect of any Share, the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium

Lien Enforcement Notice: means a notice in writing which complies with the requirements of *article 24 2*

Member of the Same Group: as regards any company, a company which is from time to time a holding company or a subsidiary of that company or a subsidiary of any such holding company

Model Articles: the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the Adoption Date.

Ordinary A Shares: the ordinary A shares of £0.01 each in the capital of the Company

Ordinary B Shares: the ordinary B shares of £0.01 each in the capital of the Company

Ordinary C Shares: the ordinary C shares of £0.01 each in the capital of the Company

Original Shareholder: has the meaning given in *article 16.1*

Permitted Transfer: a transfer of Shares made in accordance with *article 16*

Permitted Transferee: in relation to

- (a) a Shareholder (other than an Investor)
 - (i) a transfer with Investor Consent, or
 - (ii) a transfer in one transaction, or in a series of related transactions (with prior Investor Consent) of up to 49% of the Shares held by such Shareholder (taking into account any Shares already transferred to a Permitted Transferee) to a Family Member and/or Family Trust, or
 - (iii) where such Shareholder is a company a transfer in one transaction, or in a series of related transactions (with prior Investor Consent) of up to 49% of the Shares held by such Shareholder (taking into account any Shares already transferred to a Permitted Transferee) to a Member of the Same Group of that company, and
- (b) an Investor, to (i) and Affiliate of that Investor, or (ii) a Member of the Same Group as that Investor, or (iii) any nominee of that Investor, or (iv) to any other Investor

Relevant Shares: in relation to an Employee means all Shares held by

- (i) the Employee in question, and
- (ii) any Permitted Transferee of that Employee (other than those Shares held by those persons that an Investor Majority declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his/her relationship with the Employee)

Sale Proceeds: means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale (less any fees and expenses payable by the selling Shareholders under that Share Sale)

Shareholder: a holder for the time being of any Share or Shares

Shares: shares (of any class) in the capital of the Company and Share shall be construed accordingly

Share Sale: the sale of (or the grant of a right to acquire or to dispose of) any Shares (in one transaction or as a series of transactions) which would, if completed, result in the buyer of those Shares (or grantee of that right) and persons acting in concert with him together acquiring a Controlling Interest, except where the identities of the

shareholders in the buyer and the proportion of shares of the buyer held by each of them following completion of the sale are the same as the identities of the Shareholders and their respective shareholdings in the Company immediately before the sale

subsidiary: has the meaning given in article 1 10

Termination Date: (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires,

(b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served,

(c) where an Employee dies, the date of his death,

(d) where the Employee concerned is a director but not an employee, the date on which his service agreement (or other terms of appointment) with the relevant Group Company is terminated; or

(e) in any other case, the date on which the employment or holding of office is terminated

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

- 1 2 Headings in these Articles shall not affect the interpretation of these Articles
- 1 3 Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular
- 1 4 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders
- 1 5 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date)
- 1 6 A reference in these Articles to
- (a) an **Article** is a reference to the relevant numbered article of these Articles, and
 - (b) a **model article** is a reference to the relevant article,

unless expressly provided otherwise

- 1 7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1 8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1 9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.
- 1 10 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of
- (a) another person (or its nominee), by way of security or in connection with the taking of security, or
 - (b) its nominee

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership, and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

- 1 11 A reference to a **person** shall include a reference to an individual, firm, company, corporation, partnership, unincorporated body of persons, government, state or agency of a state or any association, trust, joint venture or consortium (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns and permitted transferees.

2. **ADOPTION OF THE MODEL ARTICLES**

- 2 1 The Model Articles shall ~~apply to the Company~~, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to

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any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation

- 2 2 Model articles 7, 8, 9(1) and (3), 11(2) and (3), 12, 13, 14(1) to (4) (inclusive), 16, 18(e), 22, 26(5), 38, 39, 44(2), 49, 50 and 51 to 53 (inclusive) shall not apply to the Company
- 2 3 Model article 20 shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 2 4 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Model article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"

DIRECTORS

3. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall not be subject to any maximum but shall not be less than one

4. PROCEEDINGS OF DIRECTORS

- 4 1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4 2* (subject to *article 4 3* and *article 4 4*) All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes
- 4 2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4 3 A decision taken in accordance with *article 4 2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing

- 4 4 A decision may not be taken in accordance with *article 4 2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4 7* and *article 4 8*
- 4 5 Model articles 5(1) to (3) (inclusive) and 6(2) shall be modified by the insertion of the words "(acting with Investor Consent)" following each reference to "the directors" in such model articles
- 4 6 Meetings of the Directors shall take place at least 10 times in each year, with a period of not more than forty five days between any two meetings Any Director or an Investor Majority may call a meeting of the Directors, or authorise the company secretary (if any) to give such notice At least 5 Business Days' advance notice in writing of each such meeting shall be given to each Director (except with Investor Director Consent, when meetings of the Directors may take place less frequently or on shorter notice)
- 4 7 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors, which must include an Investor Director in office for the time being, unless
- (a) there is no Investor Director in office for the time being, or
 - (b) the Investor Directors have, in respect of any particular meeting (or part of a meeting), otherwise agreed in writing ahead of such meeting, or
 - (c) such Investor Directors are not, in respect of any particular meeting (or part of a meeting), Eligible Directors
- in which case, subject to *article 4 8*, the quorum for such meeting (or part of the meeting, as the case may be) shall be any two Eligible Directors If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall be deemed to be quorate and shall proceed
- 4 8 For the purposes of any meeting (or part of a meeting) held pursuant to *article 8* to authorise a Conflict (as defined in *article 8 1*), if there is only one Eligible Director in office other than the conflicted Director(s), the quorum for such meeting (or part of a meeting) shall be one Eligible Director
- 4 9 Questions arising at any meeting of the Directors shall be decided by a majority of votes If there is an equality of votes, the Chairman (or other chairman of the meeting) shall not have a second or casting vote

4 10 Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye

4 11 The Directors (acting with Investor Consent) may make any rule which they think fit about how they take decisions and about how such rules are to be recorded or communicated to Directors

5. APPOINTMENT AND REMOVAL OF DIRECTORS

5 1 Model article 18 shall be modified by the addition of the following events upon the occurrence of which a person shall cease to be a Director

- (a) he is convicted of a criminal offence (other than a minor motoring offence) and a majority of the other Directors resolve that he cease to be a Director,
- (b) save in the case of an Investor Director, a majority of the other Directors resolve that he cease to be a Director, and
- (c) in the case of a Director who is an employee he shall cease to be employed by the Company or other Group Company (as appropriate) and does not continue as an employee of any other Group Company

6. INVESTOR DIRECTOR, CHAIRMAN AND OBSERVER

6 1 An Investor Majority shall from time to time have the right for so long as the Investor hold Equity Shares to appoint, by notice in writing addressed to the Company, and to maintain in office, two persons as Directors (**Investor Directors** and each an **Investor Director**) and to remove any such Investor Director and to appoint a replacement

6 2 Any appointment or removal of an Investor Director made in accordance with *article 6 1* shall take immediate effect upon receipt (or deemed receipt) by the Company of such notice in writing, or the production of such notice at a meeting of the Directors or, if later, the date (if any) specified in such notice

6 3 An Investor Director shall be entitled to be appointed to any committee of the Directors established from time to time. On the receipt of the request in writing of his appointor(s), the Company shall procure that an Investor Director shall be appointed as a director of any other Group Company, to the extent specified in such request (but such Investor Director shall not be entitled to any additional fee)

6 4 An Investor Majority shall from time to time have the right to nominate one person to be an observer, who shall be entitled to receive notice of all meetings of directors (and committees of the directors) of each Group Company and copies of all board

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papers as if he were a director of each such Group Company and to attend, propose resolutions and speak at, but not vote at, any meeting of the directors (and committees of the directors) of each Group Company

6 5 The reasonable expenses of each Investor Director and each observer shall be payable by the Company

6 6 The Directors may, with Investor Consent, appoint any person as chairman of the board of Directors (**Chairman**) and may, with Investor Consent, remove and replace any such Chairman

7. **TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY**

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company (a **Relevant Matter**)

- (a) may be a party to, or otherwise interested in, any contract, transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested with such Relevant Matter,
- (b) shall be an Eligible Director an entitled to count in the quorum for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such Relevant Matter or proposed Relevant Matter in which he is interested,
- (c) shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such Relevant Matter or proposed Relevant Matter in which he is interested,
- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director,
- (e) may be a Director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such Relevant Matter or from any such office or employment or from any interest in any such body corporate and no such Relevant Matter shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such

remuneration or other benefit constitute a breach of his duty under section 176 of the Act

8. DIRECTORS' CONFLICTS

8 1 The Directors may, in accordance with the requirements set out in this *article 8*, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

8 2 Any authorisation under this *article 8* will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

8 3 Any authorisation of a Conflict under this *article 8* may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict and for such duration as the Directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and

- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters

8 4 Where the Directors authorise a Conflict.

- (a) the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict, and
- (b) the Interested Director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) imposed by the Directors in respect of this authorisation

8 5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

8 6 A Director, notwithstanding his office, may at any time be a Director or other officer of, employed by, or otherwise interested (including by the holding of shares) in

- (a) his appointor(s) (or any Permitted Transferee of such appointor(s)),
- (b) any Group Company, and
- (c) in the case of any Investor any Affiliate of the Investor

and no authorisation under *article 8 1* shall be necessary in respect of any such interest

8 7 An Investor Director shall be entitled from time to time to disclose to any Investor (and to any Permitted Transferee of an Investor) such information concerning the business and affairs of the Company or any Group Company as he shall at his discretion see fit

8 8 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

9. SECRETARY

The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors

SHARES AND DISTRIBUTIONS

10. RETURN OF ASSETS

On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority

- (a) where such return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares) occurs within 3 years of the Adoption Date
 - (i) the first £350,000 00 shall be distributed amongst the holders of the A Shares and the Ordinary B Shares as if they all constituted one class of share,
 - (ii) any amount in excess of £350,000 00 shall be distributed amongst the holders of the Equity Shares as if they all constituted one class of share until the holders of the Ordinary A Shares have received (pursuant to article 10(a)(i) and (ii)) the aggregate sum of £2,450,000, and
 - (iii) any amount in excess of the amounts distributed pursuant to article 10(a)(i) and (ii) shall be distributed as to 80% to the holders of the Ordinary B Shares and Ordinary C Shares (as if they constituted one class of share) and 20% to the holders of the Ordinary A Shares
- (b) where such return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares) occurs after 3 years from the Adoption Date
 - (i) the first £350,000 00 shall be distributed amongst the holders of the A Shares and the Ordinary B Shares as if they all constituted one class of share,
 - (ii) any amount in excess of £350,000 00 shall be distributed amongst the holders of the Equity Shares as if they all constituted one class of share until the holders of the Ordinary A Shares have received (pursuant to article 10(a)(i) and (ii)) the aggregate sum of £3,500,000, and

- (iii) any amount in excess of the amounts distributed pursuant to article 10(a)(i) and (ii) shall be distributed as to 80% to the holders of the Ordinary B Shares and Ordinary C Shares (as if they constituted one class of share) and 20% to the holders of the Ordinary A Shares
- (c) when the holders of Ordinary B Shares shall have received £1,000,000 in respect of each Ordinary B Share, the holders of the Deferred Shares shall be entitled to be paid the nominal value thereof, but shall not be entitled to participate any further in the assets of the Company

11. EXIT PROVISIONS

- 11 1 On a Share Sale, the Sale Proceeds shall be distributed in the order of priority set out in *article 10* as if the Share Sale were a return of assets. The Directors shall not register any transfer of Shares if the Sale Proceeds are not distributed in that manner (save in respect of any Shares not sold in connection with that Share Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the Share Sale
- (a) the Directors may register the transfer of the relevant Shares, provided that the Sale Proceeds due on the date of completion of the Share Sale have been distributed in the order of priority set out in *article 10*, and
 - (b) each Shareholder shall take any action (to the extent lawful and within its control) reasonably required by an Investor Majority to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in *article 10*
- 11 2 Where the Sale Proceeds includes contingent consideration or other consideration which is not reasonably capable of being valued on completion of the Sale (**Contingent Consideration**) then
- (a) no account shall be taken of the Contingent Consideration in calculating the Sale Proceeds for the purpose of Article 10 and 11 1 on completion of the Sale,
 - (b) on each occasion on which any Contingent Consideration shall in fact be received by holders of Equity Shares in cash or converted into cash (whether directly or indirectly through some other asset) or become capable of valuation, the provisions of Article 10 and 11 1 shall be reopened and reapplied to include the received Contingent Consideration at the date when such Contingent Consideration is received in cash or converted into cash by any shareholder or becomes capable of valuation, provided always that no cash already paid to any shareholder shall be reallocated

- 11 3 Immediately prior to and conditionally upon an IPO, the Shareholders shall enter into such reorganisation of the share capital of the Company as they may agree or, in default, as holders of a majority of the Equity Shares with Investor Consent may reasonably specify to ensure that the IPO Value is allocated between the Shareholders in the same proportions as the provisions of Article 11 1 would provide on a Share Sale at that IPO Value
- 11 4 On a Disposal, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in *article 10* as though it were a return of capital, provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, each Shareholder shall (to the extent lawful and within its control) take any action required by an Investor Majority (including, but without prejudice to the generality of this *article 11 2*, such action as may be necessary to put the Company into voluntary liquidation so that *article 10* applies)
- 11 5 In the event of an Exit approved by the Directors (acting with Investor Consent) (**Proposed Exit**), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit. The Shareholders shall be required to take all lawful actions with respect to the Proposed Exit as are reasonably required by the Directors or the Investor Majority to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this *article 11 5*
- (a) the Company shall be constituted the agent and attorney of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit,
 - (b) the Directors may authorise an officer of the Company or a Shareholder to execute and deliver on behalf of such defaulting Shareholder all or any necessary documents, and
 - (c) the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders (without any obligation to pay interest)

12. DIVIDENDS

The holders of the Deferred Shares shall not be entitled to be paid any dividends or other income distribution in respect of the Deferred Shares

13. VARIATION OF CLASS RIGHTS

- 13 1 Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any such class may only be varied or abrogated

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(either whilst the Company is a going concern or during or in contemplation of a winding up) with the consent in writing of the holders of at least 75% in nominal value of the issued Shares of that class

13 2 Without prejudice to the generality of *article 13 1*, the special rights attaching to the Ordinary A Shares shall be deemed to be varied by the occurrence of any of the following events

- (a) the amendment or repeal of any provision of, or addition of any provision to, the constitution of any Group Company,
- (b) the alteration in any manner (including, without limitation, by an increase, reduction, sub-division, consolidation, re-classification or a change in any of the rights attached) of any of the issued share capital or other securities of any Group Company or the creation by any Group Company of any shares or other securities,
- (c) the grant of any option, warrant or other right to acquire or subscribe for shares in or other securities of any Group Company,
- (d) the approval of any merger, liquidation, dissolution or acquisition of any Group Company or the sale of all or a substantial part of the business, undertaking or assets of any Group Company,
- (e) the purchase by any Group Company of any Shares,
- (f) the acquisition by any Group Company of any shares or other securities, or any option, warrant or other right to acquire or subscribe for any of the same, in any entity (whether or not incorporated),
- (g) save as expressly provided otherwise in these Articles, the application by capitalisation of any sum in or towards paying up any shares or other securities of any Group Company, or any other reduction of any amount standing from time to time to the credit of the share premium account or capital redemption reserve of any Group Company,
- (h) the entering into by any Group Company of a voluntary winding up (provided that a winding up shall not for the purposes of this paragraph (h) be voluntary if the directors reasonably consider that due to the insolvency or impending insolvency of the Company they are required to seek the winding up of the Company),
- (i) the transferring of any profits to reserves or the declaration of payment of any distribution or return of a capital or income nature, other than in relation to dividends approved by Investor Majority or otherwise made in accordance with the Investment Agreement,
- (j) the redenomination of any of the issued share capital of any Group Company,

- (k) the creation of a new class of Shares which has preferential rights to the Ordinary A Shares, and
- (l) any Group Company incurring any obligation (whether or not conditional) to do any of the foregoing

14. PRE-EMPTION RIGHTS ON THE ISSUE OF FURTHER SHARES

14 1 Save to the extent authorised by these Articles or the Investment Agreement, the Directors shall not, save with Investor Consent, exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares

14 2 Subject to the remaining provisions of this *article 14*, the Directors are generally and unconditionally authorised, for the purposes of section 551 of the Act, to exercise any power of the Company to

- (a) offer or allot,
- (b) grant rights to subscribe for or to convert any security into, and
- (c) otherwise deal in, or dispose of,

any Shares (or any options, warrants, conversion rights and all other rights to acquire or subscribe for Shares) to any person, at any time and subject to any terms and conditions as the Directors think proper

14 3 The authority referred to in *article 14 2*

- (a) shall be limited to a maximum nominal amount of £11,717 32,
- (b) shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and
- (c) may only be exercised for a period of five years from the Adoption Date save that, subject to these Articles, the Directors may make an offer or agreement which would, or might, require any Shares to be allotted after the expiry of such authority (and the Directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired)

14 4 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

14 5 Save as may be permitted by the Investment Agreement and, subject to Articles 16 5 and 17 4, if the Company proposes to allot any Shares, those Shares shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Equity Shares (each an **Offeree**) on a *pari passu* basis (as

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if they constituted Shares of the same class) and in the respective proportions that the number of Equity Shares held by each such holder bears to the total number of Equity Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Shares are being, or are to be, offered to any other person. Any such Equity Shares allotted to an Investor shall be allotted as Ordinary A Shares and any such shares allotted to a shareholder (other than an Investor) shall be allotted as Ordinary B Shares.

14.6 An offer made under *article 14.5* shall

- (a) be in writing and give details of the number, class and subscription price (including any share premium) of the Shares being offered,
- (b) remain open for a period of 30 days from the date of service of the offer, and
- (c) stipulate that any Offeree who wishes to subscribe for a number of Shares in excess of the number to which he is entitled under *article 14.5* shall, in his acceptance, state the number of excess Shares (**Excess Shares**) for which he wishes to subscribe.

14.7 If, on the expiry of an offer made in accordance with *article 14.5*, the total number of Shares applied for is less than the total number of Shares so offered, the Directors shall allot the Shares to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.

14.8 Any Shares not accepted by Offerees pursuant to an offer made in accordance with *article 14.5* shall be used to satisfy any requests for Excess Shares made pursuant to *article 14.6(c)*. If there are insufficient Excess Shares to satisfy such requests, the Excess Shares shall be allotted to the applicants in the respective proportions that the number of Equity Shares held by each such applicant bears to the total number of such Equity Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Shares allotted to any Shareholder beyond that applied for by him). After those allotments, any Excess Shares shall, subject to *article 14.10*, be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders.

14.9 If, after completion of the allotments referred to in *articles article 14.7* and *article 14.8*, not all of the Shares have been allotted, the balance of such Shares shall, subject to *article article 14.10* be offered to any other person(s) as the Directors may, with Investor Consent, determine, at the same price and on the same terms as the offer to the Shareholders.

14 10 No Shares shall be allotted to any current or prospective employee or director of any Group Company unless such person shall first have entered into a joint election with the relevant Group Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003

14 11 No Shares shall be issued partly paid without Investor Consent

15. TRANSFERS OF SHARES: GENERAL

15 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share

15 2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is a Permitted Transfer, a Compulsory Employee Transfer or a transfer pursuant to article 18 (Tag Along) article 19 (Drag Along) or pursuant to the Investment Agreement Subject to *article 15 5*, the Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent

15 3 Article 14 2 shall cease to apply (except in relation to Shares which are in the process of being transferred) on the date of a Sale or an IPO

15 4 Any transfer of a Share by way of sale which is required to be made under *article 16*, *article 17* or *article 18* shall be deemed to include a warranty that the transferor sells the Share with full title guarantee

15 5 The Directors may (and shall, if requested by an Investor Majority), as a condition to the registration of any transfer of Shares, require the transferee to execute and deliver to the Company a deed, in favour of the Company and the Investors agreeing to be bound by the terms of the Investment Agreement, in such form as the Directors (acting with Investor Consent) may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor) If any condition is imposed in accordance with this *article 15 5*, the transfer may not be registered unless and until that deed has been executed and delivered to the Company's registered office by the transferee

15 6 To enable the Directors to determine whether or not there has been any transfer (or purported transfer) of Shares the Directors may, and shall if so requested by an Investor Director, require

(a) any holder (or the legal representatives of a deceased holder), or

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- (b) any person named as a transferee in a transfer lodged for registration, or
- (c) such other person as the Directors or an Investor Director may reasonably believe to have information relevant to that purpose,

to provide the Company with any information and evidence that the Directors think fit regarding any matter which they deem relevant to that purpose

15 7 If any such information or evidence referred to in *article 15 6* is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence provided the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares of that fact in writing and, if the holder fails to remedy that situation to the reasonable satisfaction of the Directors (including an Investor Director) within 10 Business Days of receipt of such written notice, then, unless otherwise directed in writing by an Investor Majority

- (a) the relevant Shares shall cease to confer on the holder of them any rights
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
 - (ii) to receive dividends or other distributions, or
 - (iii) to participate in any future issue of Shares

The Directors may (with Investor Consent) reinstate the rights referred to in *article 15 7(a)* at any time and, in any event, such rights shall be reinstated on the holder of such Shares remedying the situation

16. PERMITTED TRANSFERS OF SHARES

16 1 A Shareholder (the **Original Shareholder**) may transfer all or any Shares to a Permitted Transferee or in accordance with and subject to the provisions of Articles 17, 18 and 19

16 2 Where Shares are held by the trustee(s) of a Family Trust, the trustee(s) may transfer Shares to

- (a) the Original Shareholder;
- (b) any Family Member of the Original Shareholder,
- (c) the trustee(s) of another Family Trust of which the Original Shareholder is the Settlor, or
- (d) to the new (or remaining) trustee(s) upon a change of trustee(s) of a Family Trust,

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without any price or other restriction

- 16 3 If the Original Shareholder is a company, and a Permitted Transfer has been made, the Permitted Transferee shall, within 10 Business Days of ceasing to be a Member of the Same Group as the Original Shareholder, transfer the Shares held by it to
- (a) the Original Shareholder, or
 - (b) a Member of the Same Group as the Original Shareholder,
- (which in either case is not in liquidation), without any price or other restriction
- 16 4 If the Original Shareholder is an individual and a Permitted Transfer has been made to a Permitted Transferee of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within 10 Business Days of ceasing to be a Permitted Transferee of the Original Shareholder (whether by reason of death, divorce or otherwise) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them
- 16 5 If the relevant Permitted Transferee fails to comply with the requirement to transfer Shares pursuant to article 16 3 or 16 4 above then, unless in the case of shares other than Ordinary A Shares otherwise directed in writing by an Investor Majority
- (a) the relevant Shares of that Permitted Transferee shall cease to confer on the holder of them any rights
 - (i) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
 - (ii) to receive dividends or other distributions, or
 - (iii) to participate in any future issue of Shares

The Directors may (with Investor Consent) reinstate the rights referred to in *article 15 5(a)* at any time and, in any event, such rights shall be reinstated on completion of the required transfer

17. COMPULSORY TRANSFERS

- 17 1 A Departing Employee (other than Neil Loxley) shall, unless the Directors (with Investor Consent) otherwise direct in writing in respect of any particular Relevant Shares prior to or within 20 Business Days after the relevant Termination Date, be deemed to have served a transfer notice on the relevant Termination Date in respect of all Relevant Shares (a **Compulsory Employee Transfer**)

17 2 Notwithstanding any other provisions of these Articles, the transfer price in respect of a Compulsory Employee Transfer shall

- (a) where the Departing Employee is a Bad Leaver, be restricted to a maximum of the lower of the aggregate Issue Price of such Relevant Shares and the aggregate Fair Value of such Relevant Shares, and
- (b) where the Departing Employee is a Good Leaver be the aggregate Fair Value of such Relevant Shares

17 3 Notwithstanding the provisions of *article 17 2*, the Board (with Investor Consent) may, in the case of a Departing Employee by notice in writing served on the Company and the relevant Seller(s), direct that some higher (but not lower) transfer price shall apply to any or all Relevant Shares which would otherwise be subject to *article 17 2*

17 4 Forthwith upon a transfer notice being deemed to be served under *article 17 1* the Relevant Shares shall cease to confer on the holder of them any rights

- (a) to vote (whether on a show of hands, on a poll or otherwise and whether in person, by proxy or otherwise), including in respect of any resolution of any class of Shares,
- (b) to receive dividends or other distributions otherwise attaching to those Shares, or
- (c) to participate in any future issue of Shares

The Directors may (with Investor Consent) reinstate the rights referred to in *article 17 4* at any time and, in any event, such rights shall be reinstated in respect of any Shares transferred pursuant to *article 17 1* on completion of a transfer made pursuant to *article 17 1*

17 5 The Deemed Transfer notice shall constitute the Company as the agent of the Departing Employee for the sale of the Relevant Shares who shall notify the Shareholders (other than the Departing Employee) in writing of the fact of the Deemed Transfer Notice (**Shareholder Notice**)

17 6 The Company will have first option to acquire the Relevant Shares (subject always to the Company complying with the provisions of Chapter 4 of Part 18 Companies Act 2006) and shall within 28 days of the date of the Shareholder Notice give notice to the Departing Employee in writing either

- (a) exercising its option to purchase some or all of the Relevant Shares, or
- (b) confirming that it does not wish to exercise its option to purchase such shares, and

any failure by the Company to provide such notice shall result in the Company being deemed to have failed to exercise its option in respect of such shares

17 7 To the extent that any such Relevant Shares are not taken up by the Company under article 17 6 above then the Company shall give notice (**Sale Notice**) of that fact to the Shareholders (other than the Departing Employee) (**Continuing Shareholders**) who shall then have the option to acquire any such remaining Relevant Shares (**Remaining Shares**) from the Departing Employee The Continuing Shareholders shall within 28 days of receiving the Sale Notice (**Offer Period**) give notice to the Departing Employee in writing either

(a) exercising the option to purchase some or all of such Remaining Shares (and specifying the maximum number of such Remaining Shares they wish to buy), or

(b) confirming that they do not wish to exercise such option, and

any failure by a Continuing Shareholder to provide such notice shall result in such Continuing Shareholder being deemed to have failed to exercise his option in respect of such shares

17 8 If, at the end of the Offer Period, the number of Remaining Shares applied for is equal to or exceeds the number of Remaining Shares, the Continuing Shareholders shall have allocated to them the number of Remaining Shares in proportion to which such Shareholder's existing holding of Equity Shares bears to the total number of Equity Shares held by those Continuing Shareholders who have applied for Remaining Shares Fractional entitlements shall be rounded to the nearest whole number but no allocation shall be made to a Continuing Shareholder of more than the maximum number of Remaining Shares which such Shareholder has stated he is willing to buy

17 9 If, at the end of the Offer Period, the number of Remaining Shares applied for is less than the total number of Remaining Shares, the Continuing Shareholders shall have allocated to them the number of Remaining Shares in accordance with their applications The balance (**Surplus Shares**) shall be dealt with in accordance with article 17 10

17 10 At the end of the Offer Period, any Surplus Shares shall be allocated to those Continuing Shareholders who previously had Remaining Shares allocated to them following the expiry of the Offer Period and who indicated that they would be willing to purchase in excess of the number of Remaining Shares previously allocated to them, and where there is more than one such Shareholder in the proportion that his existing holding of Equity Shares (including any Relevant Shares previously allocated to him) bears to the total number of Equity Shares (including any Relevant Shares previously allocated) held by such Shareholders Fractional entitlements shall be

rounded to the nearest whole number but no allocation shall be made to any such Shareholder which would result in him having allocated to him more than the maximum number of Surplus Shares which he has stated he is willing to buy

- 17 11 If, following such allocation in article 17 10 above, the number of Surplus Shares applied for is less than the number of Surplus Shares, the provisions of article 17 10 shall apply in respect of any Continuing Shareholder whose has not been allocated the maximum number of Remaining Shares specified in his notice under article 17 7 until either all such Remaining Shares have been allocated or all such Shareholders have had allocated to them their maximum number of Remaining Shares
- 17 12 If Fair Value is being determined and either the Company or any Continuing Shareholder does not agree with the Fair Value as certified by the Expert, the Company or such Continuing Shareholder may within seven Business Days of delivery of the Expert's determination of the Fair Value, by notice in writing to the Company, confirm that they do not wish to purchase all or some of the Relevant Shares previously allocated to them In such circumstances any Relevant Shares shall be re-allocated to the Continuing Shareholders in accordance with the foregoing provisions of this article 17
- 17 13 Once the allocation process under this article 17 has been finalised the Company shall confirm this to the Continuing Shareholders and completion of the sale and purchase of the Relevant Shares shall take place 10 Business Days thereafter when
- (a) in relation to any transfers of Remaining Shares to Continuing Shareholders the Departing Employee shall deliver, or procure that there is delivered to the Continuing Shareholders, duly completed share transfer form(s) transferring the legal and beneficial ownership of the Remaining Shares to the Continuing Shareholders, together with the relevant share certificate(s) and such other documents as the Continuing Shareholders may reasonably require to show good title to the Remaining Shares, or to enable them to be registered as the holders of such shares,
 - (b) in relation to a buy-back of Relevant Shares by the Company (and subject always to the Company complying with the provisions of Chapter 4 of Part 18 Companies Act 2006) the Departing Employee and the Company shall each sign and deliver to the other an agreement for the purchase of such Relevant Shares pursuant to Section 694 Companies Act 2006 in such form as the Company may reasonably require (provided always that the Departing Employee shall not be required to give any warranties covenants, indemnities or representations or any obligations other than necessary for the sale of the Relevant Shares including as to his ownership of the Relevant Shares and the fact that they are unencumbered),
 - (c) the Continuing Shareholders or the Company (as the case may be) shall pay the purchase price

17 14 Notwithstanding any other provisions of these Articles any Shares held by a Departing Employee or any of his Permitted Transferees or any Permitted Transferee of a Permitted Transferee shall cease to confer on the holder of such shares any rights to vote (whether on a show of hands, on a poll or otherwise, and whether in person, by proxy or otherwise) including in respect of any resolution of the Equity Shares

18. TAG ALONG

18 1 In the event that a proposed transfer of Shares (other than a Permitted Transfer or a Compulsory Transfer, whether made as one or as a series of transactions (a **Proposed Transfer**) would, if completed, result in any person other than an existing Shareholder (the **Buyer**), together with any person acting in concert with the Buyer, acquiring a Controlling Interest, the remaining provisions of this *article* 18 shall apply

18 2 The seller shall use its reasonable endeavours to procure that, prior to the completion of the Proposed Transfer, the Buyer shall make an offer (the **Offer**) to each Shareholder (each an **Offeree**), to buy all of the Equity Shares held by such Offerees on the date of the Offer for a consideration in cash per Equity Share (the **Offer Price**) which is calculated in accordance with Article 18 3

18 3 The Offer Price shall be calculated by

- (a) determining the amount which would need to be paid on a sale of the whole of the issued share capital of the Company such that the amount received in respect of each Share of the class which is the subject of the Proposed Transfer on such sale would, applying the provisions contained in Articles 10 and 11 1, equal the Proposed Transfer Price (as defined in Article 18 3 (c)),
- (b) the Offer Price for a Share of any particular class shall be the amount which would be paid in respect of each Share of that class on a sale of the whole of the issued share capital of the Company for the amount determined in accordance with Articles 18 3 (a), applying the provisions contained in Articles 10 and 11 1,
- (c) the Proposed Transfer Price shall be the highest price per Share of each class offered, paid or to be paid by the Buyer, or any person acting in concert with the Buyer, for any Shares of that class in connection with the Proposed Transfer

18 4 The Offer shall be made by notice in writing (an **Offer Notice**) addressed to each Offeree on the date of the Offer at least 10 Business Days (the **Offer Period**) before

the date fixed for completion of the Proposed Transfer (the **Sale Date**) The Offer Notice shall specify

- (a) the identity of the Buyer (and any person(s) acting in concert with the Buyer),
- (b) the Offer Price and any other terms and conditions of the Offer,
- (c) the Sale Date, and
- (d) the number of Equity Shares which would be held by the Buyer (and persons acting in concert with the Buyer) on completion of the Proposed Transfer

18 5 The completion of the Proposed Transfer shall be conditional in all respects on

- (a) the making of an Offer in accordance with this *article 18*, and
- (b) the completion of the transfer of any Equity Shares by any Offeree (each an **Accepting Offeree**) who accepts the Offer within the Offer Period,

and the Directors shall refuse to register any Proposed Transfer made in breach of this *article 18 5*

19. DRAG ALONG

19 1 If at any time either an Investor Majority or Shareholders (including an Investor Majority) who together hold not less than 51% of the total issued Equity Capital (in either case the **Selling Shareholders**) wish to transfer all of their interest in Equity Shares (**Sellers' Shares**) to a bona fide arm's length purchaser on arm's-length terms (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Equity Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Equity Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) in accordance with the provisions of this *article 19*.

19 2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to that effect to both the Called Shareholders and the Company (a **Drag Along Notice**), at any time before the completion of the transfer of the Selling Shareholders' Shares, to the Proposed Buyer and each Called Shareholder A Drag Along Notice shall specify

- (a) that the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this *article 19*,
- (b) the identity of the Proposed Buyer (and, if relevant, the transferee(s) nominated by the Proposed Buyer),

- (c) the consideration payable for the Sellers' Shares per Equity Share and the Called Shares per Equity Share calculated in accordance with *article 19 4 (Drag Along Consideration)*,
 - (d) the proposed date of completion of transfer of the Called Shares
- 19 3 Once given, a Drag Along Notice may not be revoked save with the prior consent of the Directors, acting with Investor Consent. However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not completed the transfer of all the Selling Shareholders' Shares to the Proposed Buyer (or as the Proposed Buyer may direct) within 25 Business Days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 19 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Selling Shareholders' Shares in accordance with the provisions of *article 11*. The consideration (in cash or otherwise) for which the Selling Shareholders shall be obliged to sell each of the Sellers' Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Sellers' Shares and the Called Shares in accordance with the provisions of *article 11* and provided that where any consideration proposed to be payable to the Selling Shareholders in respect of the transfer which has triggered the Drag Along Option pursuant to this article 19 takes the form of a non-cash asset then for the purposes of this article 19 4 such non-cash asset shall be replaced with the cash value of such non-cash asset.
- 19 5 No Drag Along Notice shall require a Called Shareholder to agree to any terms except those specifically set out in this *article 19*.
- 19 6 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless
 - (a) all of the Called Shareholders and the Selling Shareholders otherwise agree, or
 - (b) that date is less than 30 Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place 30 Business Days after the date of service of the Drag Along Notice.

- 19.7 Within 30 Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares in favour of the Proposed Buyer (or as the Proposed Buyer may direct), together with the share certificate(s) in respect of those Equity Shares (or a suitable indemnity in respect thereof) to the Company. On the expiration of that 30 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are respectively due pursuant to *article 19.4* to the extent the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to *article 19.4* shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders pursuant to *article 19.4* in trust for the Called Shareholders without any obligation to pay interest.
- 19.8 To the extent that the Proposed Buyer has not, on the expiration of the 30 Business Day period, put the Company in funds to pay the amounts due pursuant to *article 19.4*, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate(s) (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this *article 19* in respect of their Equity Shares.
- 19.9 If any Called Shareholder fails to deliver to the Company a duly executed stock transfer form (or forms) in respect of the Called Shares held by him (together with the share certificate(s) in respect of those Called Shares (or a suitable indemnity in respect thereof)) the defaulting Called Shareholder shall be deemed to have appointed any person nominated for the purpose by the Selling Shareholders to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares. After the Proposed Buyer (or person(s) nominated by the Proposed Buyer) has been registered as the holder of any such Called Shares the validity of such proceedings shall not be questioned by any person. Failure to produce a share certificate shall not impede the registration of any transfer of Shares under this *article 19*.
- 19.10 Upon any person, following the issue of a Drag Along Notice, becoming a Shareholder (or increasing an existing shareholding) including, without limitation, pursuant to the exercise of any option, warrant or other right to acquire or subscribe for, or to convert any security into, Equity Shares, (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served upon the New Shareholder, on the same terms as the previous Drag Along Notice, who shall then be bound to sell and transfer all such Equity Shares acquired by him to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this *article 19* shall apply mutatis mutandis to the New Shareholder, save that completion of the sale of such Equity Shares shall take place forthwith upon the later of the Drag Along Notice being deemed served on the New Shareholder and the date of completion of the sale of

the Called Shares References in this article 19 17 to a person becoming a Shareholder (or increasing an existing shareholding) shall include the Company, in respect of the acquisition of any of its own Equity Shares

- 19 11 Any Deemed Transfer Notice served in respect of a Compulsory Transfer which has not completed before the date of service of a Drag Along Notice shall automatically be revoked by the service of a Drag Along Notice

DECISION-MAKING BY SHAREHOLDERS

20. GENERAL MEETINGS

- 20 1 No business other than, subject to *article 20 2*, the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on
- 20 2 The Chairman shall chair general meetings. If there is no Chairman in office for the time being, or the Chairman is unable to attend any general meeting, the Directors present (or, if no Directors are present, the meeting) must appoint another Director present at the meeting (or, if no Directors are present, a Shareholder) to chair the meeting and the appointment of the chairman of the meeting must be the first business of the meeting

21. VOTING

- 21 1 The holders of Deferred Shares shall not be entitled to receive notice or, attend or vote at any general meeting of the Company
- 21 2 Subject to any other provisions in these Articles concerning voting rights, each Equity Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company
- 21 3 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 21 4 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article
- 21 5 Model article 45(1) shall be amended by
- (a) the deletion of model article 45(1)(d) and its replacement with the words "is delivered to the company in accordance with the Articles not less than

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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 accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate", and

- (b) the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article

22. STEP IN

22 1 The provisions of article 22 2 shall apply if at any time (without Investor Consent)

- (a) there has been proposed a resolution for the winding-up of the Company, a resolution for a reduction in the capital of the Company or a resolution varying any of the rights attaching to the Ordinary Shares,
- (b) the Company is in material breach of the provisions of these articles and/or the Investment Agreement,
- (c) the Company and/or any other Group Company is in material breach of any of the terms on which any banking or loan facilities (including, without limitation, the Investor Finance Documents) have been made available to the Group

22 2 If the provisions of this article apply then

- (a) the Ordinary B Shares and the Ordinary C Shares shall cease to entitle each holder thereof to attend and vote (whether on a show of hands or on a poll) at any general meeting of the Company,
- (b) the Ordinary A Shares shall entitle each holder thereof, on a show of hands, to one vote, and on a poll, to one vote for each Ordinary A Share of which it is the holder,

and the provisions of article 21 1 shall apply, with the necessary changes being made, to the Shares, and

- (c) the Investor Directors shall, at any meeting of the Directors, each have such number of votes as is equal to the aggregate number of Directors (excluding the Investor Directors) of the Company in office from time to time plus one

22 3 The provisions of article 21 2 shall

- (a) in the case of article 21 1(a), only apply in relation to such resolutions as are there mentioned, and

- (b) in the case of articles 21 1(b) and (c), continue for so long as such breach subsists
- 22 4 For the avoidance of doubt, the provisions in article 21 2 shall enable the holders of any Ordinary A Shares in issue from time to time together
- (a) to pass written resolutions of the Company pursuant to section 381A of the Companies Act 1985 (the Act), and
 - (b) to consent to the holding of a general meeting of the Company on short notice pursuant to section 369(3) of the Act,
 - (c) in either case, on the basis that all such holders would constitute the only Shareholders who would be entitled to attend and vote at a general meeting of the Company
- 22 5 The provisions of article 22 6 shall apply if at any time (without Investor Consent) any Shareholder (other than an Investor) is in material breach of the provisions of these articles and/or the Investment Agreement (**Defaulting Shareholder**),
- 22 6 If the provisions of this article apply
- (a) the Shares which such person holds or to which he is entitled, and
 - (b) any Shares formerly held by such person which have been transferred either in breach of the provisions of these articles or in accordance with article 15 (*Permitted Transfers*),
- shall immediately cease to entitle the holders thereof to attend and vote (whether on a show of hands or on a poll) at any general meeting or at any separate class meeting of the Company, and
- (c) the Defaulting Shareholder, if a Director shall, upon notice given to the Company by the Investor Majority, forthwith cease to be a Director
- 22 7 The provisions of article 22 6 shall continue for so long as such the Defaulting Shareholder's breach subsists

23. COMPANY'S LIEN OVER SHARES

- 23 1 The Company has a lien (the **Company's Lien**) over every Share which is registered in the name of a person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company in respect of the Shares registered in the name of that person, whether payable immediately or at some time in the future

23 2 The Company's Lien over a share

- (a) takes priority over any third party's interest in that Share, and
- (b) extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

23 3 The Directors may at any time decide that a Share which is or would otherwise be subject to the Company's Lien shall not be subject to it, either wholly or in part

24. ENFORCEMENT OF THE COMPANY'S LIEN

24 1 Subject to the provisions of this *article 24*, if

- (a) a Lien Enforcement Notice has been given in respect of a Share, and
- (b) the person to whom the notice was given has failed to comply with it,

the Company may sell that Share in such manner as the Directors decide

24 2 A Lien Enforcement Notice

- (a) may only be given in respect of a Share which is subject to the Company's Lien and in respect of a sum payable to the Company for which the due date for payment has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum within 15 Business Days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires),
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

24 3 Where Shares are sold under this *article 24*

- (a) the Directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

- 24 4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the Company's Lien) must be applied
- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice, and
 - (b) second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien over the Shares before the sale for any money payable by that person (or his estate or any joint holder of the shares) after the date of the Lien Enforcement Notice
- 24 5 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date
- (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
 - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share

ADMINISTRATIVE ARRANGEMENTS

25. MEANS OF COMMUNICATION TO BE USED

- 25 1 Subject to article 25 2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
 - (b) if sent by fax, at the time of transmission, or
 - (c) if sent by pre-paid first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or
 - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 00 am on the fifth Business Day after posting, or
 - (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
 - (f) if sent or supplied by email, one hour after the notice, document or information was sent or supplied, or

- (g) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and
- (h) if deemed receipt under the previous paragraphs of this article 25 1 would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 on the day when business next starts in the place of deemed receipt For the purposes of this article, all references to time are to local time in the place of deemed receipt

25 2 To prove service, it is sufficient to prove that

- (a) if delivered by hand the notice was delivered to the correct address, or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or
- (d) if sent by email, the notice was properly addressed and sent to the email address of the recipient

25 3 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

26. INDEMNITY AND INSURANCE

26 1 Subject to *article 26 2*, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled

- (a) each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs, and

- (b) the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article 26 1* and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure

26 2 This *article 26* does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

26 3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss

26 4 In this *article 26*

- (a) **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company) or any pension fund or employees' share scheme of the Company (or other Group Company), and
- (b) **Relevant Officer** means any director or other officer or former director or other officer of any Group Company but excluding in each case any person engaged by a Group Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor