

**THE COMPANIES ACTS 1985 TO 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

-of-

**APPLIED LANGUAGE SOLUTIONS LIMITED**

(Adopted by a Special Resolution dated 7<sup>th</sup> September 2008)

**1 PRELIMINARY**

1.1 The Regulations contained in Table A ("Table A") in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 the Companies Act 1985 (Electronic Communications) Order 2000, the Companies (Tables A to F) (Amendment) Regulations 2007 and the Companies (Tables A to F) (Amendment) (No.2) Regulations 2007 shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

1.2 In these Articles:-

<b>"Act"</b>	means the Companies Act 1985;
<b>"Adoption Date"</b>	the date on which these Articles of Association are adopted by the Company;
<b>"Auditors"</b>	means the auditors of the Company from time to time;
<b>"Bad Leaver"</b>	means an employee (other than Gavin Wheeldon and Marie-Claire Wheeldon) ceasing to be an employee of the Company for any reason other than as a Good Leaver;
<b>"Board"</b>	means the board of Directors of the Company from time to time;
<b>"Company Disposal"</b>	means the sale or transfer of the whole or substantially the whole of the undertaking or assets of the Company;
<b>"Controlling Interest"</b>	means an interest (within the meaning of Schedule 13 Part 1 and Section 346 of the Companies Act 1985) in shares conferring in the aggregate more than fifty per cent of the total voting rights conferred by all the shares in the equity share capital of the Company for the time being in issue and conferring the right to vote at all general meetings;
<b>"Directors"</b>	means all of the directors of the Company from time to time;
<b>"Entire Issued Share Capital"</b>	means the entire issued share capital of the Company (from time to time);

<b>"Expert"</b>	means a firm of chartered accountants agreed between the holders of the Ordinary Shares or failing such agreement within 10 business days, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on application by any holder of Equity Shares and who shall when appointed act as expert and not as arbitrator;
<b>"Founder Shareholders"</b>	means Gavin Wheeldon and Marie-Claire Wheeldon;
<b>"Good Leaver"</b>	means any employee of the Company (other than Gavin Wheeldon and Marie-Claire Wheeldon) who is the beneficial owner of Ordinary Shares who ceases to be an employee of the Company after three years from the date such employee purchased Ordinary Shares and such cessation is as a result of: <ul style="list-style-type: none"> <li>(a) his death;</li> <li>(b) his incapacity to work caused by his illness;</li> <li>(c) redundancy;</li> <li>(d) his retirement at normal retirement age; or</li> <li>(e) his leaving the Company to be employed or engaged by any other firm, company or business or on his own account in any business other than the business of languages or language technology;</li> </ul>
<b>"Option"</b>	means an option to subscribe for or acquire shares in the Company granted by the Company;
<b>"Option Agreement"</b>	means an Agreement granting an Option to subscribe for or acquire shares in the Company;
<b>"Ordinary Shares"</b>	means the ordinary shares of £0.01 each in the capital of the Company;
<b>"Subscription Price"</b>	means the price paid or credited as having been paid for each share including the par value and any premium thereon or as the case may be, the price paid by the employee on the exercise of the Option in respect of shares acquired by him pursuant to an Option Agreement.

## 2. SHARE CAPITAL

- 2.1 The authorised share capital of the Company at the Adoption Date is £1,000 divided into 100,000 Ordinary Shares of £0.01 each.

## 3. ALLOTMENT OF SHARES

- 3.1 In accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) inclusive of the Act (which impose statutory rights of pre-emption) shall not apply to the Company.
- 3.2 The Board is generally, unconditionally and exclusively authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for, or convert securities into, shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the Adoption Date and may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period.

- 3.3 The authority hereby given may at any time (subject to section 80) be renewed, revoked or varied by ordinary resolution of the Company in general meeting.

#### 4. TRANSFER OF SHARES

- 4.1 Subject to the provisions of this Article 4 and Articles 5 and 6 below the Directors shall register the transfer of any share which has been transferred in accordance with this Article 4 and Articles 5 and 6 below. The Directors shall refuse to register any transfer of shares made in contravention of the provisions of this Article 4 and Articles 5 and 6.
- 4.2 For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these Articles the Directors may request the transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence as the Directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the Directors within a period of 28 days after such request the Directors shall be entitled to refuse to register the transfer in question.
- 4.3 All other regulations of the Company relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of this Article.
- 4.4 For the purpose of this Article and Articles 5 and 6 below:-
- 4.4.1 the expressions "**Transfer**", "**Transferor**" and "**Transferee**" shall include respectively the renunciation of a renounceable letter of allotment, the original allottee and the renouncee under any such letter of allotment.
- 4.5 Save as otherwise provided in these Articles every member who desires to transfer shares ("**the Vendor**") shall give to the Company notice in writing of such desire ("**a Transfer Notice**"). Subject as hereinafter mentioned a Transfer Notice shall constitute the Company the Vendor's agent for the sale of the shares specified therein ("**the Sale Shares**") in one or more lots at the discretion of the directors to all the holders of Ordinary Shares other than the Vendor at a price determined in accordance with Article 4.7 ("**the Sale Price**").
- 4.6 Save for shares sold pursuant to a deemed Transfer Notice as set out in Article 7 the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to this Article none shall be sold and any such provision shall be binding on the Company.
- 4.7 The Sale Price shall be:-
- 4.7.1 the price agreed by the Vendor and the Directors; or
- 4.7.2 if the Vendor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or if the Transfer Notice is a deemed Transfer Notice, the price determined by an Expert to be a fair value of the Sale Shares on a going concern basis as between a willing seller and a willing buyer taking into account any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest ("**the Fair Market Value**").
- 4.8 If an Expert is asked to certify the Fair Market Value his certificate shall be delivered to the Company (which shall use reasonable endeavours to procure that it is provided within 42 days of the Expert being instructed) and as soon as the Company receives the certificate it shall furnish a certified copy thereof to the Vendor and save for shares sold pursuant to a deemed Transfer Notice (as set out in Article 5 below) the Vendor shall be entitled by notice in writing given to the Company within ten days of the service upon him of the certified copy to cancel the Company's authority to sell the Sale Shares. The cost of obtaining the certificate shall be

borne by the Company unless the Vendor gives notice of cancellation as aforesaid in which case the Vendor shall bear the cost.

- 4.9 Upon the price being fixed as aforesaid and provided the Vendor does not give a valid notice of cancellation the Company shall forthwith offer the Sale Shares to all holders of Ordinary Shares (other than the Vendor) pro rata as nearly as may be in proportion to the existing numbers of Ordinary Shares held by such members giving details of the number and the Sale Price of such Sale Shares. The Company shall invite each such member to state in writing within twenty-one days from the date of the notice whether he is willing to purchase any of the Sale Shares so offered to him and if so the maximum which he is willing to purchase. If at the expiration of the said period of twenty-one days there are any Sale Shares offered which any of the said members have not so stated their willingness to purchase the Company shall offer such shares to such members as have stated in writing their willingness to purchase all the shares previously offered to them. Such remaining shares shall be offered pro rata as nearly as may be in proportion to the existing numbers of Ordinary Shares then held by such members which offer shall remain open for a further period of twenty-one days.
- 4.10 If the Company pursuant to the above provisions of this Article finds a member or members of the Company willing to purchase all or any of the Sale Shares the Vendor shall (subject to any notice given under Article 4.6 where it applies) be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Vendor makes default in so doing the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Vendor and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to them as aforesaid.
- 4.11 If the Directors shall not have found a member or members of the Company willing to purchase all of the Sale Shares pursuant to the foregoing provisions of this Article the Director shall procure that the Company use all reasonable endeavours to purchase the shares itself at the Sale Price. If the Company does not purchase the Sale Shares the Vendor shall at any time within six months after the final offer by the Company to its members be at liberty to sell and transfer such of the Sale Shares as have not been so sold to any person or the Company at a price being no less than the Sale Price.
- 4.12 The foregoing provisions of this Article and Articles 5 and 6 below shall not apply to any transfers by either of the Founder Shareholders of the Ordinary Shares held by them and the Directors shall be obliged to register any such transfer.

## **5. DEEMED TRANSFERS**

### **5.1 In this Article a "Relevant Event" means:**

- 5.1.1 a member becoming either a Good Leaver or a Bad Leaver;
- 5.1.2 in relation to a member being an individual such a member being adjudicated bankrupt;
- 5.1.3 a member making any voluntary arrangement or composition with his creditors;
- 5.1.4 in relation to a member being a body corporate:
  - 5.1.4.1 a receiver, manager, administrative receiver or administrator being appointed of such member or over all or any part of its undertaking or assets;

- 5.1.4.2 such member entering into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or
- 5.2 Any member who becomes aware of the occurrence of a Relevant Event shall immediately notify the Company and all the other members in writing of that Relevant Event. In this Article the expression "**Relevant Date**" means, in relation to a Relevant Event, the date on which the members (as a whole) actually become aware of such Relevant Event.
- 5.3 After the happening of a Relevant Event in respect of a member (the "**Relevant Member**") the Board of Directors of the Company must serve written notice ("**Requirement Notice**") on the Relevant Member within 3 months of the Relevant Date requiring the Relevant Member to serve a Transfer Notice in respect of all his Shares PROVIDED THAT in the event that the employee exercises his Option pursuant to the terms of the Option Agreement after he shall have ceased to be an employee then the Transfer Notice shall be deemed to have been given with effect from the day after he shall have subscribed for or acquired such shares pursuant to his Option Agreement and such shares shall have been issued or transferred to him (or his personal representatives) pursuant thereto. A Requirement Notice may not be served more than once on a member in respect of the same Relevant Event.
- 5.4 If the Relevant Member fails to serve a Transfer Notice within 14 days of the date of receipt (or deemed receipt) of the Requirement Notice then he shall be deemed to have done so on the fifteenth day following receipt (or deemed receipt).
- 5.5 For the purpose of this Article 5.5 the Fair Market Value of the Relevant Member's Sale Shares shall, unless agreed between the Relevant Member and the other members within fourteen days of service of a requirement notice be calculated in accordance with Article 4.7. Notwithstanding any price per Sale Share specified in such a Transfer Notice (or the failure to give a Transfer Notice), the Sale Price shall be:
- 5.5.1 in the case of a Good Leaver, the Fair Market Value of the Relevant Member's Sale Shares; and
- 5.5.2 in the case of a Bad Leaver the lower of the Subscription Price of the Sale Shares and their Fair Market Value.
- 5.6 The Company shall be responsible for referring any valuation to the Expert if he is required pursuant to this Article and shall use all reasonable endeavours to procure that the Expert shall reach their determination as soon as possible after such referral.
- 5.7 References to a 'member' in the definition of Relevant Event include a joint holder of shares. If a Relevant Member holds shares jointly then the provisions of this Article 5 shall extend to all the jointly held shares and to all the joint holders of the relevant shares.
- 5.8 Any Requirement Notice served during the active period of a previous Sale Notice relating to all or any of the same shares shall prevail and upon such service such Transfer Notice shall immediately cease to have effect.
6. **COME ALONG RIGHTS**
- Tag Along**
- 6.1 No sale or transfer of any shares ("**the Specified Shares**") shall be made which would result if made and registered in a person or persons other than the Founder Shareholder or permitted transferees thereof obtaining:

- 6.1.1 a Controlling Interest in the Company unless the proposed transferee or transferees or his or their nominees (together "**the Proposed Buyer**") has or have offered to purchase the Entire Issued Share Capital at the Specified Price as defined below; or
- 6.1.2 a holding of Shares which confer in the aggregate more than 10% of the total voting rights conferred by all the Ordinary Shares in the Company in issue at the relevant time and conferring the right to vote unless the Proposed Buyer has first made an offer to all the holders of Ordinary Shares (of whatever class) (other than the Proposed Buyer if he is already such a holder) to purchase from them for cash at the Specified Price a number of their Ordinary Shares equal to the proportion that the Specified Shares bear to the total number of Ordinary Shares held by the Proposed Seller.
- 6.2 For the purpose of this Article the expression the "**Specified Price**" shall mean a price per share at least equal to that offered or paid or payable by the Proposed Buyer for the Specified Shares to the holder or holders thereof (together "**the Proposed Seller**") plus an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the Proposed Seller which having regard to the substance of the transaction as a whole can reasonably be regarded as in addition to the price paid or payable for the Specified Shares provided that, if any part of the price per share is payable otherwise than by cash, any member may at his option elect to take a price per share of such cash sum as may be reasonably agreed by him having regard to the substance of the transaction as a whole and provided further that in the case of any Shares held by any Original Shareholder or permitted transferees thereof the Specified Price must not be less than the amount paid up or credited as paid up (together with any premium paid on subscription) on the same (or if higher, their Sale Price determined under Article 4.7).
- 6.3 In the event of disagreement as to the calculation of the Specified Price for the purposes of this Article any such disagreement shall be referred to an Expert whose decision shall be final and binding (in the absence of manifest error) and the costs of such Expert shall be borne by the Company.

#### **Drag along**

- 6.4 If any offer is made to purchase the Ordinary Shares and is approved by the holders of 75% of the Ordinary Shares then the holders of the other shares shall subject to Article 6.5 below, if so required by notice in writing from the accepting shareholders (a "**Come Along Notice**"), and provided the Specified Price is at least equal to the Fair Market Value of their shares as provided in Article 4.7, accept such offer and if they shall fail to do so within ten days of being so required, shall be deemed hereby to accept the same and to authorise the Company to exercise such documents on their behalf to effect the sale of their shares pursuant thereto.

#### **7. LIEN**

- 7.1 The lien conferred by Regulation 9 of Table A shall attach also to fully paid shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company (whether that person is the full registered holder of those shares or one of two or more joint holders) for all sums presently payable by him or his estate to the Company.

#### **7.2 Non-Payment of Calls**

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

#### **8. NOTICES OF GENERAL MEETINGS**

Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of, and other communications relating to, any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors of the Company.

**9. QUORUM**

9.1 If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, such adjourned general meeting shall be dissolved.

9.2 A Quorum for the purposes of a general meeting shall be two members and must include [one of the Founder Shareholders] unless the Founder Shareholders otherwise agree in writing.

9.3 Regulation 41 of Table A shall not apply to the Company.

**10. NUMBER OF DIRECTORS**

10.1 Regulation 64 of Table A shall not apply to the Company.

10.2 The maximum number and the minimum number of Directors may be determined from time to time by Ordinary Resolution in general meeting of the Company. Subject to and in default of any such determination, there shall be no maximum number of Directors and the minimum number shall be two.

**11. APPOINTMENT OF DIRECTORS**

11.1 No person shall be appointed a Director at any general meeting unless either:-

11.1.1 he is recommended by the Directors ; or

11.1.2 not less than fourteen nor more than thirty-five clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

11.2 The Company may by Ordinary Resolution in general meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

11.3 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 12 as the maximum number of directors and for the time being in force.

11.4 The Directors may call Board meetings as and when required but a quorum for a Board meeting shall be two directors [and must include Gavin Wheeldon] unless otherwise agreed by him in writing.

**12. RETIREMENT OF DIRECTORS**

The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

**13. DIRECTORS' BORROWING POWERS**

The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit and, subject (in the case of any security convertible into shares) to section 80 of the Act, to grant any mortgage, charge of standard security over the Company's undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

**14. ALTERNATE DIRECTORS**

14.1 An alternate director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to the director for whom he is the alternate as the Company may from time to time direct, and the first sentence of Regulation 66 of Table A shall be modified accordingly.

14.2 A director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

**15. GRATUITIES AND PENSIONS**

15.1 The directors may exercise the powers of the Company conferred by the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

15.2 Regulation 87 of Table A shall not apply to the Company.

**16. DIRECTORS' INTERESTS IN TRANSACTIONS**

16.1 At any meeting of the directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution.

16.2 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

**17. COMPANY SEAL**

17.1 If the Company has a seal it shall be used only with the authority of the Directors or of a Committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under Regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

17.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and those powers shall be vested in the directors.

**18. INDEMNITY**

18.1 Every Director, or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the



Court; and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall have effect only in so far as its provisions are not avoided by section 310 of the Act.

18.2 The Directors must purchase and maintain for any director, officer or auditor of the Company, insurance against any such liability as is referred to in section 310(1) of the Act.

18.3 Regulation 118 of Table A shall not apply to the Company.

## 19. DATA PROTECTION

Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "Recipient") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this article shall include any information (but excepting all "sensitive data" as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company's shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

## 20. ATTORNEY

If any Shareholder makes default in complying with his obligations under these Articles ("a **Defaulting Shareholder**"), the Chairman for the time being of the Company, or failing him one of the Directors or some other person duly nominated by a resolution of the Board for that purpose, shall forthwith be deemed to be the duly appointed agent or attorney of the Defaulting Shareholder with full power to execute complete and deliver in the name and on behalf of the Defaulting Shareholder any document or deed and on his behalf to perform any act or do any thing required of the Defaulting Shareholder in order to comply with such obligations (including but not limited to the giving of a receipt and good discharge for any money payable to the Defaulting Shareholder which the Board shall procure is paid forthwith into a separate bank account in the Company's name and which shall be held in trust (but without interest) for the Defaulting Shareholder until all obligations of the Defaulting Shareholder have been complied with following which it shall be paid to him).