

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION
OF
ACTIV8 INTELLIGENCE LIMITED**

Company Number: 05384841

(Adopted by special resolution passed on 9 August 2021)

INTRODUCTION

1. INTERPRETATION

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

Act: means the Companies Act 2006 (as amended from time to time);

Adjustment Event: means (i) any allotment or issue of Ordinary Shares (including a rights issue or bonus issue), or any increase in the nominal value of Ordinary Shares, in each case by way of capitalisation of profits or reserves (including share premium account and capital redemption reserve fund) and/or; (ii) any sub-division or consolidation or reclassification of Ordinary Shares;

Articles: means the company's articles of association for the time being in force.

B Shareholder: a holder for the time being of any B Shares in the Company;

B Shares: means the B1 Shares, B2 Shares and B3 Shares;

B1 Shares: a share of £0.00001 in the capital of the Company designated as constituted from time as a B1 Share.

B2 Shares: a share of £0.00001 in the capital of the Company designated as a B2 Share.

B3 Shares: a share of £0.00001 in the capital of the Company designated as a B3 Share. **Business Day:** means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business.

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.



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.

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

Listing: a Listing as defined in article 13.

Model Articles: means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles.

Ordinary Share: an ordinary share of £0.01 in the capital of the Company designated as an Ordinary Share.

Ordinary Shareholder: a holder for the time being of any ordinary Share in the Company;

Reorganisation: means a group reorganisation and/or a parent company Reorganisation, as applicable.

Sale: a Sale as defined in article 13 which for the avoidance of doubt shall not include a Reorganisation.

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 Sale.

Shareholder: a holder for the time being of any Shares in the Company

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

B1 Threshold Value: means £700,000 in respect of the B1 Shares.

B2 Threshold Value: means the amount as determined by the Directors prior to the issue of the remaining B2 Shares to be the threshold value in respect of the B2 Shares then being issued and notified to the relevant shareholder in writing.

B3 Threshold Value: means the amount as determined by the Directors prior to the issue of the remaining B3 Shares to be the threshold value in respect of the B3 Shares then being issued and notified to the relevant shareholder in writing.

- 1.2 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.
- 1.3 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.4 Articles 8, 14(1), (2), (3) and (4), 52 and 53 of the Model Articles shall not apply to the Company.
- 1.5 Article 7 of the Model Articles shall be amended by:
 - (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

DIRECTORS

2. UNANIMOUS DECISIONS

- 2.1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 2.2 Such a decision 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.
- 2.3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at such a meeting.

3. 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) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement 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 existing or proposed transaction or arrangement 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 transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement 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.

4. DIRECTORS' CONFLICTS OF INTEREST

- 4.1 The directors may, in accordance with the requirements set out in this article, 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**).

- 4.2 Any authorisation of a Conflict under this article 4 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 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.
- 4.3 Where the directors authorise a Conflict, 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.
- 4.4 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.
- 4.5 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

5. NUMBER OF DIRECTORS

- 5.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than one.
- 5.2 Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions authorised by the Model Articles and by these Articles expressed to be vested in directors generally.

6. APPOINTMENT OF DIRECTORS

- 6.1 No person shall be appointed as a director at any general meeting unless either:
- (a) He is recommended by the directors; or
 - (b) Not less than 14 nor more than 35 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.
- 6.2 A shareholder holding more than 20% of the issued share capital in the Company (a **Substantial Shareholder**) shall be entitled to appoint one director of the Company (a Representative Director)
- 6.3 A Representative Director may at any time be removed from office by the Substantial Shareholder who appointed him and if a Substantial Shareholder ceases at any time to hold more than 20% of the issued share capital in the Company, a Representative Director appointed by that Substantial Shareholders shall be deemed to have been removed as a director of the Company as from the date upon which the Substantial Shareholder ceased to hold more than 20% of the issued share capital in the Company.
- 6.4 If a Representative Director shall die or be removed from or vacate office for any cause, the relevant Substantial Shareholder may appoint in his place another person to be its Representative Director.
- 6.5 Any appointment or removal of a Representative Director pursuant to this article shall be in writing and signed by or on behalf of the Substantial Shareholder and served on the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

SHARES & DISTRIBUTIONS

7. SHARE CAPITAL

- 7.1 Except as otherwise provided in these Articles, the Ordinary Shares and the B Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.
- 7.2 No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares. Where a special resolution to vary the rights attaching to a class of shares is proposed at a separate general meeting of that class of shares, all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two holders of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, two holders present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.
- 7.3 For the avoidance of doubt, each of the following shall not constitute a variation of the rights attached to each class of shares so long as they do not adversely affect the value of the relevant class of shares:
- (a) any alteration in the Articles;
 - (b) any reduction, subdivision, consolidation, redenomination, or purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital;
 - (c) the reorganisation of the Company where shareholders transfer their shares in the Company for shares in a new holding company which mirror the shareholding in the Company immediately prior to the transfer;
 - (d) any reorganisation, reconstruction or reclassification pursuant to Article 11.4;
 - (e) any resolution to put the Company into liquidation.

B Shares' Class Rights

- 7.4 The Company may from time to time create, allot and issue further shares, whether ranking *pari passu* with or in priority or subsequent to the B Shares. The creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the B Shares) shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a

variation of such rights for any purpose or require the consent of the holders of the B Shares.

7.5 A reduction by the Company of the capital paid up or credit as paid up on the B Shares and the cancellation of such shares shall be treated as being in accordance with the rights attaching to the B Shares and shall not involve a variation of such rights for any purpose or require the consent of the holders of the B Shares.

7.6 Without prejudice to the foregoing of this Article, the Company is authorised to reduce (or purchase shares in) its capital of any class or classes of shares and such reduction (or purchase) shall not involve a variation of any class rights attaching to the B Shares for any purpose or require the consent of the holders of the B Shares.

8. VOTING

8.1 Each Ordinary Share shall entitle the holders thereof to one vote for every Ordinary Share held on any resolution of the members.

8.2 The B Shares shall not entitle the holders to any voting rights.

9. DIVIDENDS

9.1 The Company may declare dividends, and the directors may decide to pay interim dividends, only in accordance with the terms of these Articles.

9.2 Subject to Articles 9.3 and **Error! Reference source not found.** the directors shall have the complete discretion to declare a dividend in respect of one class of shares but not another and/or of one designation of shares of the same class but not another and to declare a different level of dividend in respect of different classes of shares and/or in respect of different designations of shares of the same class.

9.3 No dividends (or any shares in lieu of dividends) shall be declared or paid on any B Share in respect of any Financial Year if the distributable profit is less than £200,000 and unless the Board determines that profit shall be distributed to any B Shares by way of a dividend PROVIDED THAT if the Board determines that profit shall be distributed to B Shareholders, the Ordinary Shareholders shall (pro rata in respect of their holding of Ordinary Shares) at all times be entitled to not less than 85% of the amount of any distribution of profits by the Company. Any provision in these Articles or any discretion exercised by the Board or any other person or group of persons which would, but for this article, result in the Ordinary Shareholders receiving or being

entitled to receive less than 85% of the amount any such profit shall be read and take effect as entitling the Ordinary Shareholders to 85% of the amount of any such distribution, with a commensurate reduction in the entitlement of the holders of B Shares.

10. LIQUIDATION PREFERENCE

10.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), if the assets of the Company remaining after the payment of its liabilities (**the Net Proceeds**) are equal to or less than the B1 Threshold Value, they shall be applied (to the extent that the Company is lawfully able to do so) in payment to the holders of Ordinary Shares pro rata the number of Ordinary Shares held.

10.2 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), if the Net Proceeds are more than the B1 Threshold Value, the amount shall be applied (to the extent that the Company is lawfully able to do so) in the following amounts and order of priority:

- (a) first, in paying to the holders of the Ordinary Shares in respect of each Ordinary Share held a sum equal to the B1 Threshold Value;
- (b) secondly, if the Net Proceeds are in excess of the B1 Threshold Value but not in excess of the B2 Threshold Value, in distributing the balance among the holders of the Ordinary Shares and B1 Shares pro rata to the number of Ordinary Shares and B1 Shares held, as if they all constituted shares of the same class;
- (c) thirdly, if the Net Proceeds are in excess of the B2 Threshold Value but not in excess of the B3 Threshold Value, in distributing the balance among the holders of the Ordinary Shares, B1 Shares and B2 Shares pro rata to the number of Ordinary Shares, B1 Shares and B2 Shares held, as if they all constituted shares of the same class;
- (d) thereafter, if the Net Proceeds are in excess of the B3 Threshold Value, in distributing the balance among the holders of Ordinary Shares and B Shares pro rata to the number of Ordinary Shares and B Shares held, as if they all constituted shares of the same class.

PROVIDED THAT in the event of an Adjustment Event prior to the application of such amount, the above amounts and/or order of priority may be adjusted in such manner as the Directors in their complete discretion so determine as being reasonable in all the circumstances.

11. EXIT PROVISIONS

11.1 On a Sale, the Sale Proceeds shall be distributed in the amounts and order of priority set out in article 10. 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 Sale) provided that, if the Sale Proceeds are not settled in their entirety upon completion of the 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 reasonable action (to the extent lawful and within its control) to ensure that the balance of the Sale Proceeds are distributed in the order of priority set out in article 10.

PROVIDED ALWAYS that if the entire issued share capital of the Company is not sold pursuant to a Sale, the Directors shall be entitled to refuse to register any transfer of Shares if the Sale Proceeds are not distributed in a manner determined by the Directors to be fair and reasonable in the light of the order of priority set out in article 10 which would have applied if the entire issued share capital had been sold.

- 11.2 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 amounts and order of priority set out in article 10, 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 reasonably requested by the directors to achieve substantially the same outcome (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).
- 11.3 If, upon a Sale or a Disposal, any amounts received or receivable by the Shareholders or Company are deferred and/or contingent, then the amounts and/or order of priority of payments to Shareholders pursuant to Article 11.1 or Article 11.2 may be adjusted in such manner as the Directors in their complete discretion so determine as being reasonable in all the circumstances.
- 11.4 In the event of a Listing, the Directors in their absolute discretion may determine that the share capital of the Company shall be reorganised, reconstructed or reclassified in order that the Company's share capital shall comprise one class of ordinary share ranking *pari passu* and the reorganisation, reconstruction or reclassification shall be effected such that each holder of B Shares shall, after such reorganisation, reconstruction or reclassification hold such number of ordinary shares as are equal in value to the amount that such holder of B Shares would have received upon a return of assets pursuant to Article 10

- 11.5 Any Ordinary Shares to be issued in accordance with article 11.4 shall be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Directors and shall be credited as fully paid at par. Such a capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with article 11.4. If and to the extent that the Company is not lawfully permitted to carry out the capitalisation required by article 11.4 in full (whether by virtue of the Act or otherwise), each such holder shall be entitled to subscribe in cash at par for the balance of that number of additional Ordinary Shares as would otherwise have been issued pursuant to article 11.4. The Shareholders shall procure (so far as they are lawfully able) that the Directors shall have sufficient authorisations required to issue the Ordinary Shares which may fall to be issued under article 11.4 or this article 11.5.

12. ALLOTMENT OF SHARES

- 12.1 For the purposes of this article 12, **Qualifying Shareholders** means those shareholders who at the time the offer is made pursuant to article 12.3 hold more than 10% of the issued share capital of the Company.
- 12.2 Subject to article 12.3, the directors are generally and unconditionally authorised for the purposes of Section 551 of the Act to exercise any power of the company to offer or allot and grant rights to subscribe for or convert securities into shares of the Company.
- 12.3 All shares which the directors propose to issue, shall first be offered to the Qualifying Shareholders in proportion as nearly as may be to their existing holdings of shares as between the Qualifying Shareholders unless:
- (a) they are B Shares in which case they may be issued at the entire discretion of the Directors;
 - (b) the Directors resolve that such shares shall first be offered to all Shareholders in proportion as nearly as may be to the number of the existing shares held by them respectively; or
 - (c) the Company shall by Special Resolution otherwise direct.

Any offer made pursuant to this Article shall be made by notice specifying the number of shares offered and limiting a period (not being less than ten Business Days) within which the offer if not accepted will be deemed to be declined. Any shares not accepted pursuant to such offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or

otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members.

- 12.4 In accordance with Section 567(1) of the Act Sections 561 and 562 of the Act shall not apply to the Company.
- 12.5 The threshold value in respect of each B Share, shall, if X is greater than Y at the relevant time, be increased upon the allotment of any Ordinary Shares (save any allotted pursuant to article 11.4 or article 11.5) as follows:

$$\text{new Threshold Value} = (\text{existing Threshold Value } \pounds \times X) / Y$$

Where:

X = the total number of Ordinary Shares in issue following the allotment.

Y = the total number of Ordinary Shares in issue at the time of the allotment of the relevant B Shares.

13. EMPLOYEE SHARES

- 13.1 In this Article, the following words shall have the following meanings:

Departing Employee: means any person who becomes a shareholder in the Company after the date of the adoption of these Articles and who is:

- (a) an employee or director of the Company or any group company and who ceases to be and is no longer continuing as an employee or director of the Company or any group company; or
- (b) an individual whose services are otherwise provided to the Company or any group company and whose services cease to continue to be provided to the Company or any group company,

provided that in either case:

- (i) any person who ceases to be an employee of the Company or any group company or whose services cease to be provided to the Company or any group company but who remains as a director of the Company or any group company shall not be a Departing Employee until he is no longer a director of either the Company or any group company; and

- (ii) any person who ceases to be a director of either the Company or any group company but who continues to be employed by or to provide services to the Company or any group company shall not be a Departing Employee until he is no longer an employee of or providing services to either the Company or any group company.

Listing: means the admission to official listing (as defined in the Listing Rules issued by the UK Listing Authority) on the London Stock Exchange plc of any part of the Shares or any part of the shares of any member of the Group or the admission of any of the Shares to trading either on the Alternative Investment Market of the London Stock Exchange plc becoming effective in accordance with the Alternative Investment Market Rules or on any recognised investment exchange (within the meaning thereof given for the purposes of section 285 Financial Services and Markets Act 2000 which shall include NASDAQ and NASDAQ Europe);

Sale: means completion of the sale or transfer of the legal or beneficial interest in any Shares which would result in a Controlling Interest being obtained by a person (or persons acting in concert (as determined by the then most recent edition of the City Code on Takeovers and Mergers) with them.

- 13.2 All of the Departing Employee's shares and any shares issued to a Departing Employee after the date upon which he ceases to be an employee or director of or provider of services to the company (whether by virtue of the exercise of any right or option granted or arising by virtue of the holding of the Departing Employee's shares or otherwise) shall cease to confer the right to be entitled to receive notice of or to attend or vote at any general meeting or on any written resolution of the company or at any meeting or on any written resolution of the holders of any class of shares in the capital of the company and such shares shall not be counted in determining the total number of votes which may be cast at any such meeting or required for the purposes of a written resolution of any members or class of members or any consent under these Articles or otherwise. Such rights shall be restored immediately upon a Sale, a Listing or the company registering a transfer of the relevant Departing Employee's shares pursuant to these Articles to a non Departing Employee.

14. RESTRICTIONS ON TRANSFER OF SHARES

- 14.1 A Shareholder may only transfer shares:
 - (a) pursuant to the provisions of articles 13, 15, 16 or 17; or
 - (b) with the prior written consent of Shareholders holding not less than 75% in nominal value of the shares in the company.

Provided always that

- (i) no shares may be transferred to any person who is in the reasonable opinion of the directors providing goods or services in competition with the business of the company, or representing such a person or acting in concert with such a person;
- (ii) no B Shares may be transferred from the date of issue of that B Share save pursuant to articles 13, 15 or 16 or with the prior written consent of Shareholders holding not less than 75% in nominal value of the shares in the company.

15. DRAG ALONG

15.1 If shareholders holding not less than 60 per cent. in nominal value of the Shares ("**the Selling Shareholders**") wish to transfer all their interest in such shares to a person not already a shareholder ("**the Third Party Purchaser**") the Selling Shareholders shall have the option (the "**Drag Along Option**") to require the all other Shareholders ("**the Called Shareholders**") to sell with full title guarantee and transfer all their Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct at the Specified Price.

15.2 The Drag Along Option shall not be exercisable where the Third Party Purchaser is (a) connected to a Selling Shareholder ("**a Connected Person**") or (b) a company in which a Selling Shareholder or a Connected Person holds (or has agreed to acquire) more than a 1% interest by way of shareholding (whether legal or beneficial) and for the purposes of this provision, a person is connected to a Selling Shareholder if he is:

- (a) the Selling Shareholder's spouse, child or step-child
- (b) a person acting in his capacity as trustee of any trust the beneficiaries of which include
 - (i) the Selling Shareholder, his spouse or any children or step-children of his
 - (ii) a body corporate with which the Selling Shareholder is associated
 - (iii) or of a trust whose terms confer a power on the trustees that may be exercised for the benefit of the Selling Shareholder, his spouse, or any children or step-children of his or any such body corporate (but this provision does not apply to a person acting in his capacity as trustee under an employees' share scheme or a pension scheme)

- (c) a person acting in his capacity as partner of the Selling Shareholder or any person who by virtue of article 15.2(a) or article 15.2(b) above is connected with that Selling Shareholder.
- 15.3 The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect ("**a Drag Along Notice**") at any time before the transfer of shares of the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares ("**the Called Shares**") pursuant to this Paragraph, the person to whom they are to be transferred, the Specified Price at which the Called Shares are to be transferred and the proposed date of transfer.
- 15.4 A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations thereunder will lapse if for any reason there is not a sale of Shares by the Selling Shareholders to the Third Party Purchaser within 90 days after the date of the Drag Along Notice.
- 15.5 The Called Shareholders shall be obliged to sell each of the Called Shares at the Specified Price. Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' Shares and the Called Shareholders shall only be obliged to complete the sale of the Called Shares if the Selling Shareholders have at the same time sold their Shares unless:
 - (a) The Called Shareholders and the Selling Shareholders agree otherwise; or
 - (b) that date is less than 14 days after the Drag Along Notice, when it shall if required by the Called Shareholders to be deferred until the 14th day after the Drag Along Notice.
- 15.6 If any of the Called Shareholders are in default and fail to transfer their Shares then the Directors may authorise someone to effect the transfer of the relevant Shares and shall have full power and authority to deliver in the name and on behalf of the relevant Called Shareholder(s) forms of transfer in respect of the relevant Shares and on payment of the Specified Price in respect of the relevant Shares ("**the Purchase Consideration**") to the company (who shall be authorised to give a good receipt for the Purchase Consideration) the company shall (subject to due stamping) register the transferee as the holder of the relevant Shares. The relevant shareholder(s) shall be entitled to receive the Purchase Consideration which shall in the meantime be held by the company on trust for the relevant shareholder(s) subject to applying the same in settlement of any fees or expenses due by the relevant shareholder(s) or the company. No interest shall be payable on the amount due to the relevant shareholder(s).

- 15.7 For the purposes of this article and article 16, **Specified Price**: means a price per share that the relevant shareholder would have received if the total consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise by the proposed transferee or transferees or his or their nominees for the Shares to the holders thereof was distributed in the order of priority set out in article 10 PROVIDED
- (a) **FIRSTLY**, that if any consideration is deferred and/or contingent, then the amounts and/or order of priority of payments to Shareholders pursuant to this Article may be adjusted in such manner as the Directors in their complete discretion so determine as being reasonable in all the circumstances;
 - (b) **SECONDLY** that if the entire issued share capital of the Company is not sold to the said proposed transferee or transferees or his or their nominees, the Directors shall be entitled to set the Specified Price, acting fairly and reasonably, in the light of the order of priority set out in article 10 which would have applied if the entire issued share capital had been sold;
 - (c) **THIRDLY**, for the avoidance of any doubt, a holder of B Shares may be required to transfer his shares pursuant to a Drag Along Notice for nil consideration if the Specified Price in relation to his B Shares is nil.

16. TAG ALONG

- 16.1 Notwithstanding anything to the contrary contained in these articles no sale or transfer (excluding for the avoidance of doubt the purchase or cancellation of any shares by the company) of any Shares to any person whomsoever which would result if made and registered in a person whether or not then a shareholder of the company obtaining a Controlling Interest in the company shall be made or registered without the proposed transferee or his nominees or agent having made an offer ("**the Controlling Interest Offer**") to purchase all the Called Shareholders' Shares on substantially the same terms at the Specified Price which offer the Called Shareholders shall be bound within 14 days of the making of the Controlling Interest Offer to accept or reject in writing (and in default of so doing shall be deemed to have rejected the Controlling Interest Offer).

17. PERMITTED TRANSFERS

- 17.1 For the purposes of this Article 17, **Qualifying Shareholders**: means those shareholders who at the time of the Transfer Notice hold more than 10% of the issued share capital of the company.
- 17.2 Any Shareholder who wishes to transfer all or any part of his Shares ("**Seller**"), shall give the company notice ("**Transfer Notice**"). A Transfer Notice is to

constitute the Directors as the Seller's agents for the sale of the shares which are the subject of the Transfer Notice ("**Sale Shares**") (or any part of them) at the Sale Price.

- 17.3 The Sale Price is to be determined in accordance with the provisions of article 17.17.
- 17.4 Within 5 Business Days of the determination of the Sale Price the Directors shall issue a notice to the Qualifying Shareholders offering the Sale Shares pro rata (as nearly as may be) to their existing holdings of shares as between the Qualifying Shareholders ("**Offer Notices**"). The Offer Notice shall state the number of Sale Shares offered, the Sale Price, that the offer may be accepted at any time within 20 Business Days after the issue by the company of the Offer Notice ("**the Acceptance Period**"), and that the member to whom the Sale Shares are offered may apply for as many excess Sale Shares as he desires at the Sale Price.
- 17.5 Any Qualifying Shareholder to whom the offer is given who desires an allocation of Sale Shares in excess of his pro rata allocation should in his application for the Sale Shares state how many excess Sale Shares he desires to have. If all the members do not claim their pro rata allocation, the unclaimed Sale Shares shall be applied in satisfying claims for excess Sale Shares in the proportions that those claims are made and in the case of competition in proportion to the Qualifying Shareholders' then existing holdings of Shares (as nearly as may be without involving fractions or increasing the number allocated to any applicant beyond that applied for by each).
- 17.6 The Directors are to allocate the Sale Shares (or those of the Sale Shares as are applied for) in accordance with the applications received within the Acceptance Period.
- 17.7 Within 5 Business Days after the end of the Acceptance Period, the Directors shall issue a notice to the Seller specifying the number of Sale Shares to be transferred, the Sale Price, the names of the Transferees, the time (not being earlier than 5 Business Days nor later than 30 Business Days after the end of the Acceptance Period) and the place at which the sale is to be completed ("**the Acceptance Notice**").
- 17.8 The Seller is bound to transfer the Sale Shares (or those of the Sale Shares as are applied for) to the existing members who have applied for such Sale Shares ("**Transferees**") at the time and place specified in the Acceptance Notice and payment of the Sale Price for the Sale Shares is to be made by the Transferees to the company as agents for the Seller.

- 17.9 If the Seller fails to transfer the Sale Shares (or those of the Sale Shares as are applied for) the chairman of the company (or some other person appointed by the Directors) will be deemed to have been appointed attorney of the Seller with full power to execute, complete and deliver, in the name and on behalf of the Seller, transfers of the Sale Shares (or those of the Sale Shares as are applied for) to the Transferees against payment to the company of the Sale Price in accordance with article 17.8 above.
- 17.10 On payment to the company of the Sale Price the Transferees are to be deemed to have obtained a good discharge for their payment.
- 17.11 On execution and delivery of the transfers, the Transferees are entitled to require their names to be entered in the register of members as the holders by transfer of the Sale Shares (or such of the Sale Shares as are applied for).
- 17.12 The company is to pay the Sale Price into a separate bank account in the company's name and hold it in trust for the Seller (for so long as it remains in the said bank account) and is to pay the Sale Price or any proportion of it to the Seller within seven days of receipt of the same, after deducting any reasonable fees, costs or expenses incurred by the company.
- 17.13 After the names of the Transferees have been entered in the register of members in purported exercise of the above powers, the validity of the proceedings are not to be questioned by any person.
- 17.14 If an Offer Notice is not accepted in whole or is accepted but in part only within the Acceptance Period the company can at its discretion buy back and/or redeem, at the Sale Price, any of the Sale Shares (as appropriate) not sold provided it is legally able to do so. If the company does not notify the Seller that it intends to buy back or redeem any of the Sale Shares within 10 Business Days of the end of the Acceptance Period, then:
- (a) the Seller may during the period of 3 months from the tenth Business Day after the end of the Acceptance Period transfer the balance of the Sale Shares to any person at a price not being less than the Sale Price;
 - (b) the Directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate or allowance of any kind to a buyer and if not satisfied may refuse to register the relevant instrument of transfer.
- 17.15 A Shareholder is deemed to have served a Transfer Notice under article 17.2 immediately before any of the following events of default:

- (a) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
- (b) he purports to transfer shares in breach of these Articles; or
- (c) they are a Departing Employee holding B Shares.

17.16 A deemed Transfer Notice pursuant to article 17.15 has the same effect as a Transfer Notice.

17.17 The Sale Price shall be the fair value of the Sale Shares as agreed between the directors and the Seller or, in the absence of agreement within 10 Business Days of the date of the Transfer Notice (or the event pursuant to which the Transfer Notice is deemed to have been served) ("**the Calculation Date**"), as determined by an independent firm of chartered accountants ("**the Expert**") appointed by the Seller and the Directors or, in the absence of agreement, by the President of the Institute of Chartered Accountants in England and Wales. In determining the fair value, the Expert shall value the Sale Shares as at the Calculation Date as between a willing seller and a willing buyer contracting on arm's length terms, having regard to the fair value of the business of the company as a going concern (and without discount on account of the minority nature of the holding). In certifying the fair value as aforesaid the Expert shall take into consideration any representations made by the parties and shall be entitled to obtain professional valuations in respect of any of the company's assets and shall be considered to be acting as experts and not as arbitrators or arbiters and accordingly any provisions of law or statute relating to arbitration shall not apply. The Expert's costs shall be borne by the company and the Seller in equal shares unless the Expert otherwise directs and the company may require the Seller to pay its contribution to the Expert's estimated costs prior to the commencement of the Expert's valuation

17.18 For the purpose of ensuring that a transfer of shares is duly authorised:

- (a) the Directors may require a Shareholder, the legal representatives of a deceased Shareholder or a person named as a transferee in a transfer lodged for registration to supply the company with any information and evidence which they think fit; and
- (b) if the information or evidence is not furnished to the satisfaction of the Directors within a reasonable time after the request, the Directors may refuse to register the transfer.

17.19 The instrument of transfer of any Share is to be executed by or on behalf of the Seller. In the case of a partly-paid share, the instrument of transfer must also be executed by or on behalf of the Transferee.

DECISION MAKING BY SHAREHOLDERS

18. PROXIES

- 18.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 18.2 Article 45(1) of the Model Articles shall be amended by 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 article.

ADMINISTRATIVE ARRANGEMENTS

19. MEANS OF COMMUNICATION TO BE USED

- 19.1 Subject to article 19.2, 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 pre-paid United Kingdom 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
 - (c) 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
 - (d) 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
 - (e) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - (f) 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
 - (g) if deemed receipt under the previous paragraphs of this article 19.1 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 am 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.

19.2 To prove service, it is sufficient to prove that:

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or
- (b) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (c) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

20. PROTECTION FROM LIABILITY

20.1 Subject to article 20.2, 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 to them 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 any associated 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 20.1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

20.2 This article 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.

20.3 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.

20.4 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate;
- (b) a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor); and
- (c) 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, any associated company or any pension fund or employees' share scheme of the company or associated company.