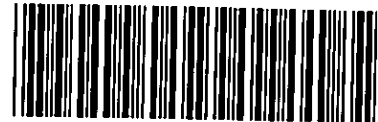


SOUNDCLOUD LIMITED
(the "Company")

MONDAY



LD5 11/05/2009 38
COMPANIES HOUSE

RESOLUTIONS
(Passed 9 April 2009)

By **WRITTEN RESOLUTION** of the shareholders of the Company duly passed on 9 April 2009 the following resolutions of the Company were passed:

ORDINARY RESOLUTION

1. for the purposes of paragraph 47(3)(b) of Schedule 4 to the Companies Act 2006 (Commencement No. 5, Transitional Provisions and Savings) Order 2007, authorisation of conflicts of interest may be given by the directors in accordance with section 175(5)(a) of the Companies Act 2006 at any time following the passing of this resolution;

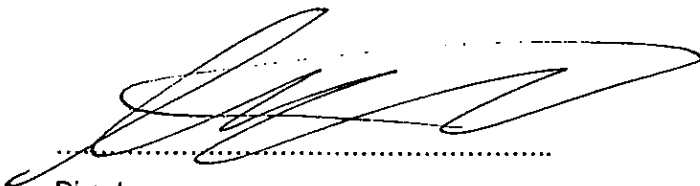
SPECIAL RESOLUTIONS

2. that the existing issued 14,674 ordinary shares of £1.00 each in the Capital of the Company be and hereby are each subdivided into 1,467,400 ordinary shares of £0.01 each, such shares having the rights and being subject to the restrictions contained in the New Articles adopted under Resolution (g) below;
3. that the 231 unissued ordinary shares of £1.00 each in the capital of the Company be and hereby are each subdivided into 23,100 ordinary shares of £0.01 each to be redesignated as Deferred Shares of £0.01 each, such shares having the rights and being subject to the restrictions contained in the New Articles;
4. that the share capital of the Company be increased from £14,905 to £18,876 and €18,505 by the creation of 1,467,400 Ordinary Shares of £0.01 each and 420,200 Deferred Shares of £0.01 each and 814,000 A Preferred Shares of €0.01 and 1,036,500 Ordinary Shares of €0.01 each carrying the rights and obligations specified in the New Articles;
5. that subject to the approvals required under the New Articles the directors be and are hereby authorised generally and unconditionally pursuant to and in accordance with section 80 of the Companies Act 1985 (the "Act") and/or section 551 of the 2006 Act for a period of 60 months from the date of the passing of this resolution to exercise all powers of the Company to allot relevant securities (as defined in the Act) up to the aggregate nominal amount of the Company's share capital (and for the purposes of this Resolution, the nominal amount of any relevant securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights);
6. that the directors be and they are empowered pursuant to section 95 of the Act and/or section 570 and 571 of the 2006 Act to allot equity securities (within the meaning of section 94(2) to section 94(3A) of the Act and section 560 of the 2006 Act) pursuant to the authority conferred by resolution (g) as if section 89(1) of the Act and/or section 561(1) of the 2006 Act did not apply to any such allotment up to the amount of the Company's authorised share capital;

Company number: 06343600

7. that the articles of association of the Company be approved and adopted as the new articles of association of the Company (the "New Articles") in substitution for and to the entire exclusion of the existing articles of association; and
8. that the Company's memorandum of association (the "New Memorandum") be altered by deleting clause 6 and replacing it with the following new clause and that the New Memorandum with such revision shall be adopted in substitution for and to the entire exclusion of the existing Memorandum of Association:

The Company's share capital is £18,876 and €18,505 divided into 1,467,400 Ordinary Shares of £0.01 each, 420,200 Deferred Shares of £0.01 each, 814,000 A Preferred Shares of €0.01 each and 1,036,500 Ordinary Shares of €0.01 each.

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Director

THE COMPANIES ACT 1985 - 2006

COMPANY LIMITED BY SHARES

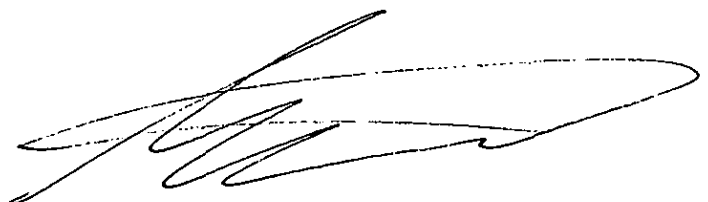
NEW

ARTICLES OF ASSOCIATION

of

SOUNDCLOUD LIMITED

(Adopted by a special resolution passed on April 9 2009)

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THE COMPANIES ACT 1985-2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

SOUNDCLOUD LIMITED

(Adopted by a written resolution passed on 9 April 2009)

1. Introduction

1.1. The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985, as amended by:

- (a) the Companies (Tables A to F) Amendment Regulations 1985;
- (b) Schedule 1 to the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000/3373); and
- (c) The Companies (Tables A to F) (Amendment) Regulations 2007 (SI 2000/72541) ("**Table A**")

shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

1.2. In Regulation 1 of Table A, the words "and in articles of association adopting the same" shall be inserted after the word "Regulations" in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.

1.3. In these Articles:

- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
- (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and
- (c) Regulations 8, 29, 30, 31, 54, 62, 80, 82, 94 to 98 (inclusive), 99, 115 and 118 of Table A shall not apply to the Company. In addition, those Regulations noted elsewhere in these Articles as being modified or dis-applied shall also be so modified or dis-applied.

2. Definitions

In these Articles the following words and expressions shall have the following meanings:

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

"Accounts" means the audited balance sheet and profit and loss account of the Company or, if at the relevant time the Company has any Subsidiary Undertaking(s), a consolidation of the audited balance sheets and profit and loss accounts of the Company and its Subsidiary Undertaking(s), for each Financial Year;

"Act" means the Companies Act 1985 (as amended from time to time);

"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 from time to time);

"Affiliated Party" or "Affiliated Parties" shall mean with respect to any Investor, any person or entity which, directly or indirectly, controls, is controlled by or is under common control with such Investor, including, without limitation, any general partner, officer, director or nominee of such Investor and any venture capital fund now or hereafter existing which is controlled by any company which is under common control with such Investor, one or more general partners of, or shares the same management company or nominee as, such Investor, and the participants of any pooled investment fund or co-investment scheme organised, managed or directed by a Investor or any company which is under common control with such Investor for the benefit of it partners, officers or employees or their dependants and in relation to any such persons any trustee or nominee for, or a successor by reorganisation of, a family trust or a qualified pension trust;

"Angel Investors" shall mean Ableton AG, Gerhard Behles, Bernd Roggendorf, Jan Bohl GmbH, Atlantic Ventures GmbH, Christian Zippel, Caroline Emmy Urban, Newborn Consulting Network L.P. and Tariq Krim;

"Angel Shares" shall mean an aggregate of 490,500 Ordinary Shares issued by the Company to the Angel Investors prior to the Date of Adoption;

"Anti-Dilution Shares" shall have the meaning given in Article 10.1;

"Arrears" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay any dividend or sums, together with all interest and other amounts payable on that Share;

"Asset Sale" means the disposal or transfer by the Company of all or substantially all of its undertaking and assets and shall include, without limitation, an exclusive irrevocable licensing of all or substantially all of its intellectual property to a third party;

"Associate" in relation to any person means:

- (a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined);
- (b) any Member of the same Group;
- (c) any Affiliated Party not otherwise within the Group;

"Auditors" means the auditors of the Company from time to time;

"Available Profits" means profits available for distribution within the meaning of part VIII of the Act;

"Bad Leaver" means a person (other than the Founders and the New CEO) who ceases to be an Employee at any time and who is not a Good Leaver;

"Board" means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

"Bonus Issue" or "Reorganisation" means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Series A Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares (other than Series A Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in Article 13.6;

"Budget" means the budget approved by the Company and Doughty Hanson immediately prior to the adoption of these Articles;

"Business Day" means a day on which both English and German clearing banks are ordinarily open for the transaction of normal banking business in the City of London and in Berlin, Germany (other than, in each case, a Saturday or Sunday);

"Civil Partner" means in relation to a Shareholder, a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder;

"Commencement Date" means the date the relevant Employee commences his, her or its employment with the Company; provided however in the case of the Founders the term **"Commencement Date"** shall refer to the Date of Adoption of these Articles;

"Company" means Soundcloud Limited;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of section 840 of ICTA;

"Conversion Date" has the meaning given in Article 9.1;

"Date of Adoption" means the date on which these Articles were adopted;

"Deferred Shares" means deferred shares of £0.01 each in the capital of the Company;

"Director(s)" means a director or directors of the Company from time to time;

"Doughty Hanson" means Doughty Hanson & Co Managers Limited and any of its Permitted Transferees from time to time;

"Effective Termination Date" means the date on which the Employee's employment terminates;

"Employee" means an individual who is employed by the Company or any member of the Group;

"Employee Share Option Plan(s)" means the employee share option plan(s) of the Company, the terms of which have been approved by an Investor Majority;

"Employee Shares" in relation to an Employee means all Ordinary Shares in the Company held by:

- (a) the Employee in question; and
- (b) by any Permitted Transferee of that Employee, other than those Ordinary Shares held by those persons that the Investor Directors declare themselves satisfied were not acquired directly or indirectly from the Employee or by reason of his, her or its relationship with the Employee;

"Employee Trust" means a trust, the terms of which are approved by the Investors, whose beneficiaries are the Employees;

"Encumbrance" means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law);

"Equity Shares" means the Shares, other than the Deferred Shares;

"Executive Bad Leaver" shall mean (a) a Founder or a New CEO (as applicable) who has a bankruptcy, conviction of, or plea of nolo contendere to, or admission of, (x) any violent or serious crime or (y) other crime involving fraud, corruption or moral turpitude; (b) a Founder or a New CEO (as applicable) engaging in any wilful misconduct, act of dishonesty, violence or threat of violence; (c) a Founder or a New CEO (as applicable) being in material breach of a material provision of his employment agreement which is incapable of being cured, or which, after proper notice, has failed to be cured reasonably promptly and in any case not more than 30 days after receipt of such notice.

"Exercising Investor" means any Investor who exercises its rights to acquire Anti-Dilution Shares in accordance with Article 10.1;

"Exit" means a Share Sale or an Asset Sale;

"Expert Valuer" is as determined in accordance with Article 18.2;

"Fair Value" is as determined in accordance with Article 18.3;

"Family Trusts" means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

"Financial Institution" any Financial Services Authority registered financial investor (or a financial investor registered with the equivalent body or authority in the country of the relevant financial investor's principal place of business);

"Financial Year" and "Financial Period" means an accounting reference period (as defined by the Act) of the Company;

"Founder" or "Founders" means each of Alexander Ljung and Eric Wahlforss;

"Founder Director" means a director who is a Founder;

"Fund Manager" means a person whose principal business is to make, manage or advise upon investments in securities;

"Good Leaver" means a person (other than the Founders or the New CEO) who:

(a) ceases to be an Employee at any time by reason of:

- (i) death;
- (ii) permanent incapacity;
- (iii) the Company (or a member of the Group) terminating his, her or its contract of employment or consultancy, as the case may be, by serving notice (in accordance with the terms of that contract) in circumstances where the Employee (i) is not in breach, nor has been in breach of a significant or fundamental provision of his, her or its contract, or (ii) is in breach of his, her or its contract but such breach is capable of remedy and is remedied within fifteen (15) days of being notified of such breach by the Company; or
- (iv) dismissal by the Company (or a member of the Group) which is determined by an employment tribunal or at a court of competent jurisdiction from which there is no right to appeal to be wrongful or constructive;
- (v) the Board, with the prior written approval of the Investor Directors, determining that he or she is a Good Leaver;

"Group" means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly;

"Holding Company" means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to such transfer;

"ICTA" means the Income and Corporation Taxes Act 1988 (as amended from time to time);

"Institutional Investor" means a fund, partnership, body corporate, trust or other person or entity whose principal business is to make investments or a person whose business is to make, manage or advise upon investments for any of the foregoing;

"Investors" means Doughty Hanson & Co. Managers Limited and its Permitted Transferees;

"Investor Director Consent" means the prior written consent of all of the Investor Directors and if any Investor has not appointed an Investor Director, the consent of the Investor Majority;

"Investor Director" means such director or directors of the Company nominated by the Investors under Article 29.1;

"Investor Majority" means those Shareholders holding more than percent (50%) of the issued Series A Shares;

"Investor Majority Consent" means the prior written consent of the Investor Majority;

"IPO" means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

"ITEPA" means Income Tax (Earnings and Pensions) Act 2003 (as amended from time to time);

"Issue Price" means the price at which the relevant Share is issued, including any premium;

"Leaver's Percentage" means, in relation to and for the purposes of determining the number of Ordinary Shares that are required (pursuant to Article 8) to be converted into Deferred Shares as a result of a Founder or New CEO ceasing to be an Employee within the periods set below:

Beginning of Period	End of Period	% of Managers' share ownership to be converted into Deferred Shares	% of New CEO's share ownership to be converted into Deferred Shares
Commencement Date (CD)	Commencement Date plus 12 months minus one day	50%	100%
CD + 12 Months	CD + 15 Months minus one day	33%	67%
CD + 15 Months	CD + 18 Months minus one day	29%	58%
CD + 18 Months	CD + 21 Months minus one day	25%	50%
CD + 21 Months	CD + 24 Months minus one day	21%	42%
CD + 24 Months	CD + 27 Months minus one day	17%	33%
CD + 27 Months	CD + 30 Months minus one day	13%	25%
CD + 30 Months	CD + 33 Months minus one day	8%	17%
CD + 33 Months	CD + 36 Months minus one day	4%	8%
CD + 36 Months	any time later	0%	0%

"Lock-Up Agreement" means any lock-up agreement agreed to in the Subscription and Shareholders Agreement;

"Lock-Up Period" means the period of the Lock-Up contained in any Lock-Up Agreement;

"a Member of the same Group" means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

"Nasdaq" means the Nasdaq Global Market of the Nasdaq Stock Market Inc.;

"New CEO" means a Chief Executive Officer that replaces one of the Founders if and when such an event were to occur upon a Founder's departure or change in role;

"New Securities" or "New Security" means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 13.6);

"Non-Qualifying IPO" means an IPO which is not a Qualifying IPO;

"Ordinary Shareholders" means the holders from time to time of the Ordinary Shares;

"Ordinary Shares" means the ordinary shares of £0.01 each and €0.01, as the case may be, in the capital of the Company;

"Permitted Transfer" means a transfer of Shares in accordance with Article 16;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his, her or its Privileged Relations or Trustees;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 259(1) of the Act) means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Affiliated Party; and
- (d) in relation to an Investor:
 - (i) to any Member of the same Group or any current or former shareholder, parent, affiliate, member or venture capital fund it manages;
 - (ii) to any Affiliated Party;
 - (iii) to any other Investor;
 - (iv) to any Financial Institution or institutional Investor;
 - (v) or to any nominee of an Investor;

"Preference Amount" means €3.6855 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each Series A Share held;

"Preference Dividend" has the meaning given in Article 4.2;

"Pre-New Money Valuation" means the result of multiplying the total number of Ordinary Shares in issue immediately after the IPO (but excluding any new Ordinary Shares issued upon the IPO) by the subscription price per share (including any premium) in respect of new Ordinary Shares issued at the time of the IPO;

"Priority Rights" means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 17.6 or Article 20.2 (as the case may be);

"Privileged Relation" in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child (including step or adopted or illegitimate child), brother, sister or parent;

"Proceeds of Sale" means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

"Proposed Purchaser" means a proposed purchaser who at the relevant time has made an offer on arm's length terms;

"Proposed Seller" means any person proposing to transfer any shares in the capital of the Company;

"Qualifying IPO" means the legal completion of an IPO in which the net aggregate proceeds to the Company resulting from the issuance of new Ordinary Shares (subject to appropriate adjustment following any Bonus Issue or Reorganisation) issued at the time of the IPO is not less than €16,000,000 and at an issue price per Ordinary Share of at least four (4) times the Starting Price;

"Sale Shares" has the meaning set out in Article 17.2(a) of these Articles;

"Seller" has the meaning set out in Article 17.2 of these Articles;

"Series A Shares" means the series A shares of €0.01 each in the capital of the Company;

"Series A Shareholders" means the holders of the Series A Shares;

"Shareholder" means any holder of any Shares;

"Shares" means the Ordinary Shares, Deferred Shares and the Series A Shares from time to time;

"Share Sale" means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions and whether by direct purchase, merger, consolidation, reorganization or otherwise) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him, her or it together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

"Starting Price" means €3.6855 (if applicable, adjusted as referred to in Article 10.3 to reflect any Bonus Issue or Reorganisations);

"Subscription and Shareholders Agreement" means the Subscription and Shareholders Agreement dated on or around the Date of Adoption between, inter alia, the Company and the Investors;

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the meanings set out in the Act;

"Transfer Notice" shall have the meaning given in Article 17.2;

"Transfer Price" shall have the meaning given in Article 17.2(c);

"Trustees" in relation to a Shareholder means the trustee or the trustees of a Family Trust;

"Unvested" means in relation to Ordinary Shares those shares which are capable of being converted into Deferred Shares under Article 8; and

"Vested" means in relation to Ordinary Shares those shares which are no longer capable of being converted into Deferred Shares under Article 8 and in relation to all other Shares, the number of shares which are in issue.

3. Share capital

3.1. The authorised share capital of the Company at the Date of Adoption is £18,876 and €18,505, divided into (a) 1,467,400 Ordinary Shares of (i) £0.01 each, (b) 420,200 Deferred Shares of £0.01 each and (c)(i) 814,000 Series A Shares of €0.01 each and (ii) 1,036,500 Ordinary Shares of €0.01 each.

3.2. In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

3.3. Except as otherwise provided in these Articles, the Series A Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

4. Dividends

4.1. The holders of the Series A Shares shall be entitled to receive a non-cumulative dividend on each Series A Share at a rate of 6% per annum (net of any tax payable by the Company) on the Starting Price to be paid if and when declared by the Board, out of profits available for distribution. For the avoidance of doubt, a dividend will only be payable in respect of the period and in the amount declared by the Board and will not be payable in relation to periods for which no dividend has been declared by the Board. Such dividend, if due, is payable to holders of Series A Shares in priority to any distribution to the holders of any other class of shares.

4.2. Any dividends beyond those covered in Article 4.1, shall be paid pari passu to the holders of Series A Shares and Ordinary Shares.

5. Liquidation preference

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares that is outside of this context) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first, in paying to each of the Series A Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series A Shareholders pro rata to their respective holdings of Series A Shares);
- (b) second, in paying to the Angel Investors an amount equal to the amount paid for the Angel Shares (their original share subscription price); provided that if there are insufficient surplus assets to pay such amounts, then the remaining surplus amounts shall be distributed to the Angel Investors pro rata to their respective holdings of Angel Shares;

- (c) third, in paying to the holders of the Deferred Shares, if any, a total of €1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
- (d) finally, the balance of the any surplus assets shall be distributed among the holders of Equity Shares pro rata (as if the Equity Shares constituted one and the same class) to the number of Equity Shares held.

6. Exit provisions

6.1. On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and
- (b) the Shareholders shall take any action required by the Investors to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

6.2. On an Asset Sale 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 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Investors (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation so that Article 5 applies).

6.3. On a Non-Qualifying IPO:

- (a) the Company shall issue to each Series A Shareholder such number (if any) of Ordinary Shares such that the proportion which the Equity Shares held by that Shareholder bears to the issued Equity Shares following the completion of all such issues and the conversion of all Series A Shares shall be equal to the proportion that the proceeds that Shareholder would have been entitled to receive on a Share Sale on that date would bear to the valuation of the Company at that date (assuming that the valuation of the Company was equal to the Pre-New Money Valuation);
- (b) the additional Ordinary Shares 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 those additional Ordinary Shares shall be issued at par fully paid. The 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 this Article. If the Company is not legally permitted to carry out the capitalisation the Series A Shareholders shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to paragraph (a). To the extent that there is insufficient share capital to effect the said issue the Directors shall procure (so far as they are able) that the Company's share capital is increased to the extent necessary to permit the issue required and all Shareholders shall vote in favour of the necessary resolutions to effect the increase;

- (c) the Company shall issue at par to each Series A Shareholder that number (if any) of Ordinary Shares credited as fully paid, which, at the offer/placing price on IPO have an aggregate value equal to any Arrears of dividend in respect of the Series A Shares.

6.4. In the event of an Exit approved in accordance with these Articles (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

7. Votes in general meeting

7.1. Series A Shares shall confer on each holder of Series A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

7.2. The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company.

7.3. The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company.

7.4. Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him, her or it.

8. Vesting of Ordinary Shares

8.1. If at any time during the Relevant Period a Founder or New CEO holding Ordinary Shares ceases to be an Employee, the Leaver's Percentage of Ordinary Shares held by such Founder or New CEO (as appropriate) shall immediately convert into Deferred Shares (rounded down to the nearest whole share) unless such Founder or New CEO (as appropriate) ceases to be an Employee within twelve (12) months from the Commencement Date, in which event all of such Ordinary Shares subject to vesting as of the Commencement Date shall so convert. All shares not otherwise so converted shall be treated under the provisions set out in Article 20.

8.2. The terms of any Employee Share Option Plan shall govern the vesting of any shares (and thus the existence in such a case of any Employee Shares) of an Employee who is not a Founder or a New CEO (unless and to the extent such Founder or CEO is granted options or shares thereunder), in addition to the provisions set out in Article 20 that are applicable to all Employees upon cessation of employment.

9. Conversion of Series A Shares

9.1. Any holder of Series A Shares shall be entitled, by giving notice in writing to the Company, to require conversion into Ordinary Shares of all of the Series A Shares held by them at any time and those Series A Shares shall convert automatically on the date the holder of those Series A Shares (the

"Conversion Date"). The holder may in such notice, state that conversion of its Series A Shares into Ordinary Shares is conditional upon the occurrence of particular events (the **"Conditions"**).

9.2. All of the Series A Shares shall automatically convert into Ordinary Shares immediately upon (i) the occurrence of a Qualifying IPO or (ii) the express election by an Investor Majority (a **"Majority Conversion Election"**) to do so, in which case such conversion election may be absolute or it can also be subject to Conditions.

9.3. In the case of (i) Article 9.1, at least five (5) Business Days after the Conversion Date or (ii) in the case of Article 9.2, at least five (5) Business Days prior to the occurrence of the Qualifying IPO or a Mandatory Conversion Election, each holder of the relevant Series A Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.

9.4. Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to such Qualifying IPO (and **"Conversion Date"** shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 9.1 or under 9.2(ii) if conditions have been placed on such Mandatory Conversion Election, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date, such conversion shall be deemed not to have occurred.

9.5. On the Conversion Date, the relevant Series A Shares shall, without further authority than is contained in these Articles, stand converted into Ordinary Shares on the basis of one (1) Ordinary Share for each Series A Share held and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.

9.6. The Company shall on the Conversion Date enter the holder of the converted Series A Shares on the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Series A Shares in accordance with this Article, the Company shall within ten (10) Business Days of the Conversion Date forward to such holder of Series A Shares by an internationally recognized overnight courier to his, her or its address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares (unless in the case of an IPO such shares are uncertificated, in which case if the Shareholder still wishes to have a certificate, then he, she or it shall be able to request a certificate under the procedures, if any for doing so in such a case).

9.7. On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Series A Shares falling to be converted a dividend equal to all Arrears, if any, and accruals of dividends in relation to those Series A Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding, if any, shall continue to be at debt due from and immediately payable by the Company.

10. Anti-Dilution Protection

10.1. If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a **"Qualifying Issue"**) (which in the event that the New Security is not issued for

cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall take all steps necessary to authorise if not already available under these Articles and, unless and to the extent that the Investor Majority shall have specifically waived the rights of all of the holders of Series A Shares, and offer (such offer, unless waived, to remain open for acceptance for not less than fifteen (15) Business Days) to each holder of Series A Shares (the "Exercising Investor") the right to receive a number of new Series A Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 10.3 (the "Anti-Dilution Shares"):

Broad-Based Weighted Average Ratchet

$$\left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z = N$$

Where:

N = Number of Anti-Dilution Shares to be issued to the Exercising Investor

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to a Qualifying Issue.

QISP = the per share price of the New Securities issued pursuant to the Qualifying Issue

NS = the number of New Securities issued pursuant to the Qualifying Issue

Z = the number of Series A Shares held by the Exercising Investor.

10.2. The Anti-Dilution Shares shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Investor Directors). In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 10.1, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and
- (b) subject to the payment of any cash payable pursuant to Article 10.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Series A Shares, within five (5) Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 10.2(a).

10.3. In the event of any Bonus Issue or Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the Investor Majority within ten (10) Business Days after any Bonus Issue or Reorganisation. If the Company and the Investor Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company.

11. Deferred Shares

11.1. The Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders.

11.2. The creation or issue of Deferred Shares shall be deemed to confer irrevocable authority on the Board at any time after their creation or issue to appoint any person to execute or give on behalf of the holder of those shares a transfer of them to such person or persons as the Company may determine.

12. Variation of Rights

12.1. 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 (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of in the case of the Series A Shares, an Investor Majority, and in all other cases, the consent of the holders of more than 75 percent in nominal value of the issued shares of that class shall be required.

12.2. Without prejudice to the generality of Article 12.1, the consent of an Investor Majority shall be required for any of the following events or activities being, done, whether directly or indirectly:

- (a) in the case of the Company or any Group Company the transferring of any profits to reserves or otherwise (save in the ordinary course of business) and the taking of any action (excluding payment of dividends) which will raise or may reduce the amount of the profits of the Company or any Group Company available for distribution;
- (b) in the case of the Company or any Group Company the grant of any exclusive licenses or exclusive business agreements;
- (c) in the case of the Company or any Group Company any action taken to create, allot, issue, buy-in, buy-back or redeem any share or loan capital or grant or agree to grant any options (other than pursuant to the Share Option Plan) or warrants for the issue of any share or loan capital or issue any securities convertible into shares, or establish any employee incentive scheme, except in accordance with the Articles or the Subscription and Shareholders Agreement;
- (d) permit or cause to be proposed any amendment to the Subscription and Shareholders Agreement, the Company's memorandum of association, these Articles or any foundation or registration documents of any Group Company;
- (e) have the Company or any Group Company propose to pay or pay any dividend or effect bonus issue (except under Clause 6.3 of these Articles) or locally equivalent action if or propose or make any other distribution (as defined under sections 209, 418 and 419 of ICTA or any other locally equivalent legislation if and to the extent applicable);

- (f) have the Company or any Group Company subscribe or otherwise acquire, or dispose of any shares in the capital or any other security of or interest in any other company or entity;
- (g) have the Company or any Group Company acquire or dispose of the whole or part of the undertaking of any other person or dispose of the whole or part of the undertaking of the Company or any Group Company or merge the Company or any Group Company or any part of the Business with any other person or propose to or enter into negotiations or discussions to do so;
- (h) have the Company or any Group Company negotiate or permit the disposal of shares in the Company amounting to a Sale, IPO or transfer of a Controlling Interest;
- (i) permit the Company or any Group Company to cease, or propose to cease, to carry on the Business or permit the Company or any Group Company or their respective directors (or any one of them or any locally equivalent governing body) to take any step to wind up the Company or any Group Company, save in the case of an insolvency (within the meaning of section 123 of the Insolvency Act 1986) or, in the case of any Group Company, any locally equivalent legislation;
- (j) permit the Company (or any Group Company) or its directors (or any one of them or any locally equivalent governing body) to take any step to place the Company (or any Group Company) into administration (whether by the filing of an administration application, a notice of intention to appoint an administrator or a notice of appointment or, in the case of any Group Company, any locally equivalent provisions), permit the Company (or any Group Company) or its directors (or any one of them or any locally equivalent governing body) to propose or enter into any arrangement, scheme, moratorium, compromise or composition with its creditors (whether under Part I of the Insolvency Act 1986 or otherwise) or to apply for an interim order under Part 1 of the Insolvency Act 1986 (or, in the case of any Group Company, the same or any locally equivalent provision), or permit the Company or its directors to invite the appointment of a receiver or administrative receiver over all or any part of the assets or undertaking of the Company (or any Group Company to do the same or take any locally equivalent action);
- (k) have the Company or any Group Company enter into or give or permit or suffer to subsist any guarantee of or indemnity or contract of suretyship for or otherwise commit itself in respect of the due payment of money or the performance of any contract, engagement or obligation of any other person or body other than in respect of the director indemnification agreements;
- (l) have the Company or any Group Company offer or grant any superior registration rights to any shareholder or future in the Company (or any Group Company) without offering the same or substantially similar rights to the Investors;
- (m) have the Company or any Group Company engage a financial adviser for a Sale, IPO or sale of a Controlling Interest;
- (n) have the Company or any Group Company adopt a detailed operating and capital budget and cash flow forecast in respect of each financial year of the Company not otherwise approved by the Board (including the Investor Directors);
- (o) have the Company or any Group Company deal in any way (including the acquisition or disposal, whether outright or by way of licence or otherwise howsoever) with the Intellectual

property, other than in the ordinary course of business or grant any exclusivity terms with regard to the Business or its Intellectual Property;

- (p) have the Company or any Group Company incur indebtedness in excess of €30,000 (or not, regardless of amount, in otherwise accordance with the Budget);
- (q) increase or decrease the size of the Company's Board of Directors or that of any Group Company (or locally equivalent governing body);
- (r) have the Company or any Group Company appoint or dismiss any Key Employee, Manager or New CEO;
- (s) materially change the nature of the Business or its mode of trading;
- (t) have the Company or any Group Company permit or cause to be proposed any alteration to its share capital (including any increase thereof) or the rights attaching to the shares or waive any right to receive payment on any of its shares issued partly paid (or in the case of a Group Company conduct any locally equivalent action);
- (u) have the Company or a member of the Group directly or indirectly with regard to the Company, or with regard to any Group Company in relation to itself or otherwise agree to or otherwise incur any obligation to do any of the events described in paragraphs (a) to (t) above.

13. Allotment of new shares or other securities: pre-emption

13.1. Subject to the remaining provisions of this Article 13, the Directors (which must include the Investor Directors) are generally and unconditionally authorised for the purpose of section 80 of the Act and/or section 551 of the 2006 Act to exercise any power of the Company to:

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

any Shares or any other relevant securities in the Company to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that:

- (1) this authority shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the Date of Adoption;
- (2) this authority shall only apply insofar as the Company in general meeting has not waived or revoked it;
- (3) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).

13.2. In accordance with section 91(1) of the Act and section 567(1) of the 2006 Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act and sections 561(1) and 562(1) to (5) (inclusive) of the 2006 Act do not apply to an allotment of equity securities made by the Company.

13.3. At any time prior to a *Qualified IPO*, unless otherwise agreed by special resolution passed in a general meeting or as a written resolution passed in accordance with part 13 of the 2006 Act, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the holders of three percent (3%) or more of the Equity Shares on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Shares held by those holders (as nearly as may be without involving fractions). The offer:

- (a) shall be in writing, give details of the number and subscription price of the New Securities; and
- (b) may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("**Excess Securities**") for which they wish to subscribe.

13.4. Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with Article 13.3 shall be used for satisfying any requests for Excess Securities made pursuant to Article 13.3 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a *pro rata* basis to the number of Shares held by the applicants immediately prior to the offer made to Shareholders in accordance with Article 13.3 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him, her or it) and after that allotment, any Excess Securities remaining shall be offered, subject to Article 13.6, to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders.

13.5. Subject to Articles 13.3 and 13.4 and to the provisions of section 80 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment to that person must be approved in writing by an Investor Majority.

13.6. The provisions of Articles 13.3 to 13.5 shall not apply to:

- (a) Shares issued or options to subscribe for Ordinary Shares under the Employee Share Option Plan(s);
- (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles including, but not limited to the Anti-Dilution Shares, and issued in accordance with Article 4.7;
- (c) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an Investor Majority;
- (d) New Securities which the Investor Majority have agreed in writing should be issued without complying with the procedure set out in this Article 13;
- (e) New Securities issued as a result of a bonus issue of shares which has been approved in writing by an Investor Majority;

- (f) Shares or rights to purchase Shares issued or granted to the Investors in accordance with the terms of the Subscription and Shareholders Agreement;
- (g) Ordinary Shares or other Equity Securities issued pursuant to a share split, division or similar re-organization;
- (h) Ordinary Shares issued or issuable upon conversion of the Series A Shares;
- (i) securities issued in connection (i) with a bona fide business acquisition by the Company that has been approved by the Board (and including the Investor Directors) or (ii) a Qualified IPO.

13.7. No Shares shall be allotted to any Employee, Director, prospective employee or director unless such person has entered into a joint section 431 ITEPA election with the Company if required.

14. Lien

The Company shall have a first and paramount lien on every Share not fully paid for and for any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

15. Transfers of Shares – general

15.1. In Articles 15 to 23 inclusive, reference to the transfer of a Share includes the transfer or assignment 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 may be transferred at any time prior to an IPO (or after an IPO during any Lock-Up Period) unless the transfer is made in accordance with these Articles.

15.3. If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he, she or it will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him, her or it.

15.4. Any transfer of a Share by way of sale which is required to be made under Articles 17 to 23 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

15.5. Unless express provision is made in these Articles to the contrary, no Ordinary Shares shall be transferred without the consent of the Investor Majority.

15.6. In addition to the provisions of Regulation 24 of Table A, the Directors may refuse to register a transfer if:

- (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind;
- (b) the transfer is to an Employee, Director or prospective employee or director and such person has not entered in a joint section 431 ITEPA election with the Company,

and Regulation 24 of Table A shall be modified accordingly.

15.7. The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver

to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 15.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

15.8. To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may, with Investor Director Consent, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors or the Investor Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

- (i) to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of an Investor; or
- (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 4.2) otherwise attaching to those shares or to any further shares issued in respect of those shares.

15.9. In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of ten (10) Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the 2006 Act) not voting) and the Seller, or, failing agreement within five (5) Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
- (b) it does not include a Minimum Transfer Condition (as defined in Article 17.2(d)); and
- (c) the Seller wishes to transfer all of the Shares held by it.

16. Permitted transfers

16.1. Subject to Article 15.5, a Shareholder (the "**Original Shareholder**") may transfer all or any of his, her or its Shares to a Permitted Transferee without restriction as to price or other terms.

16.2. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 16.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

16.3. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five (5) Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

16.4. If a Permitted Transferee who was an Affiliated Party in connection with the Original Shareholder ceases to be an Affiliated Party, the Permitted Transferee must not later than five (5) Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or an Affiliated Party as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.

16.5. Trustees may (a) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (b) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (c) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

16.6. No transfer of Shares may be made to Trustees unless the Board is satisfied:

- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
- (b) with the identity of the proposed trustees;
- (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

16.7. If a company to which a Share has been transferred under Article 16.6, ceases to be a Qualifying Company it must within five (5) Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

16.8. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he, she or it must, within fifteen (15) Business Days of so ceasing either:

- (a) execute and deliver to the Company a transfer of the Shares held by him, her or it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- (b) give a Transfer Notice to the Company in accordance with Article 17.2,

failing which he, she or it shall be deemed to have given a Transfer Notice.

16.9. On the death (subject to Article 16.2), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his, her or its personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five (5) Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five (5) Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice.

16.10. A transfer of any Shares approved by the Investor Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.

16.11. Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, including Investor Director Consent.

17. Transfers of Shares subject to pre-emption rights

17.1. Save where the provisions of Articles 16, 21, 22 and 23 apply, any transfer of Shares by a Shareholder prior to an IPO or an Exit shall be subject to the pre-emption rights contained in this Article 17.

17.2. A Shareholder who wishes to transfer Shares (a "Seller") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "Transfer Notice") to the Company specifying:

- (a) the number of Shares which he, she or it wishes to transfer (the "Sale Shares");
- (b) if he, she or it wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (c) the price (in cash) at which he, she or it wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Investor Directors) (the "Transfer Price"); and

- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").

17.3. Except with the written consent of all the Investor Directors, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

17.4. A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

17.5. As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 18,

the Board shall offer the Sale Shares for sale to the Series A Shareholders in the manner set out in Articles 17.6 to 17.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

17.6. The Company shall offer the Sale Shares to the Series A Shareholders on the basis as set out in Article 17.7.

17.7. Transfers: First Offer

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all Series A Shareholders specified in the offer (other than the Seller if the Seller is a Series A Shareholder) (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date fifteen (15) Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 17.7 and 17.8 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his, her or its existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he, she or it has stated he, she or it is willing to buy.
- (d) If not all Sale Shares are allocated in accordance with Article 17.7(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 17.7(c).
- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 17.8.

17.8. Transfers: Second Offer

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date fifteen (15) Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his, her or its existing holding of Shares bears to the total number of Shares (including Sale Shares) held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he, she or it has stated he, she or it is willing to buy.
- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with 17.9(e).

17.9. Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 17.7 and 17.8 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
 - (i) the Transfer Notice does not include a Minimum Transfer Condition; and
 - (ii) allocations have been made in respect of all the Sale Shares,the Board shall, when no further offers are required to be made under Articles 17.7 and 17.8, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Series A Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than ten (10) Business Days nor more than twenty (20) Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 17.9(c):
 - (i) the Chairman of the company or, failing him, her or it, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:

- (A) complete, execute and deliver in his, her or its name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he, she or it has delivered to the Company his, her or its certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 17.9(f), the Seller may, within eight (8) weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Conditions.
- (f) The right of the Seller to transfer Shares under Article 17.9(e) does not apply if the Board is of the opinion on reasonable grounds that:
 - (i) the transferee is a person (or a nominee for a person) who the Investor Directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him, her or it and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

17.10. Waiver of restrictions

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with Investor Director Consent and the consent of Shareholders who, but for the waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

18. Valuation of Shares

18.1. If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

- (a) appoint expert valuers in accordance with Article 18.2 (the "Expert Valuers") to certify the Fair Value of the Sale Shares; or (if the Fair Value has been certified by Expert Valuers within the preceding twelve (12) weeks)

- (b) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

18.2. The Expert Valuers will be either:

- (a) the Auditors, or if so specified in the relevant Transfer Notice;
- (b) an independent firm of Chartered Accountants to be agreed between the Board and the Seller or failing agreement not later than the date ten (10) Business Days after the date of service of the Transfer Notice to be appointed by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party.

18.3. The "Fair Value" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account.

18.4. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

18.5. The Expert Valuers shall be requested to determine the Fair Value within twenty (20) Business Days of their appointment and to notify the Board of their determination.

18.6. The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

18.7. The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.

18.8. The Expert Valuers shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five (5) Business Days of the service on him, her or it of the copy certificate, cancel the Company's authority to sell the Sale Shares.

18.9. The cost of obtaining the certificate shall be paid by the Company unless:

- (a) the Seller cancels the Company's authority to sell; or

- (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

19. Compulsory transfers – General

19.1. A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.

19.2. If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his, her or its death the Directors may require the legal personal representatives of that deceased Shareholder either:

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 19.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

19.3. If a Shareholder which is a company or a Permitted Transferee of that Shareholder, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and/or such Permitted Transferee save to the extent that, and at a time, the Directors may determine.

19.4. If there is a change in control (as control is defined in section 840 of ICTA) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This clause shall not apply to a member that is an Investor.

20. Compulsory transfer – Employees

20.1. If any Employee (excluding for the avoidance of doubt, any Founder or New CEO) ceases for any reason to be an Employee prior to the end of the Relevant Period the relevant Employee shall be deemed to have given a Transfer Notice in respect of all the Employee Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be as follows:

- (a) where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver, the lower of Fair Value and the nominal value of the Employee Shares;
- (b) where the relevant Employee ceases to be an Employee by reason of being a Good Leaver, the Fair Value.

20.2. For the purposes of this Article, the Priority Rights shall be such that the Employee Shares are offered in the following order of priority:

- (a) to a person or persons nominated by an Investor Majority to take the departing Employee's place conditionally upon them commencing employment with the Company; and/or
- (b) to any of the existing Employees (other than the departing Employee); and/or
- (c) to other participants or potential participants in, or trustees of the Employee Share Option Plan (other than the departing Employee); and/or
- (d) to any other person or persons approved by the Investor Directors and by the Board; and/or
- (e) to the Company (subject always to the provisions of the Act).

20.3. All voting rights attached to Employee Shares held by a Employee (the "**Restricted Member**"), if any, shall at the time he or she ceases to be an Employee be suspended unless the Board and the Investor Majority notify him or her in writing otherwise.

20.4. Any Employee Shares whose voting rights are suspended pursuant to Article 20.3 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy. Voting rights suspended pursuant to Article 20.3 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of shareholders) automatically be restored.

21. Founder or New CEO Departures

21.1. In the case of a Founder (or a New CEO) ceasing to be an Employee in circumstances where he or she is or becomes an Executive Bad Leaver, such Founder (or New CEO) shall:

- (a) be deemed to have automatically granted an irrevocable proxy to a Designee (as defined), and all voting rights in any and all Shares held or formerly held by him (unless otherwise expressly released) shall vest in a designee (a "**Designee**") who shall be any remaining Founder or if no Founders remain as an Employee, then to such person as is designated by the Board (including at least one of the Investor Directors); and
- (b) take any additional required action to effect the foregoing and not directly or indirectly act in contravention of or seek to avoid (or have avoided) the provisions of this clause.

21.2. For the avoidance of doubt, legal title to and the economic benefit of associated with any Shares subject to Clause 21.1 shall not be affected by Clause 21.1.

22. Co-Sale Right

22.1. No transfer (other than a Permitted Transfer) of any of the Equity Shares held by a Founder or any other Employee may be made or validly registered unless the relevant Founder or other Employee (a "**Selling Founder/Employee**") shall have observed the following procedures of this Article.

22.2. After the Selling Founder/Employee has gone through the pre-emption process set out in Article 17, the Selling Founder/Employee shall give to each holder of Series A Preferred Shares who has not taken up their pre-emptive rights under Article 17 (an "Equity Holder") not less than fifteen (15) Business Days' notice in advance of the proposed sale (a "Co-Sale Notice"). The Co-Sale Notice shall specify:

- (a) the identity of the proposed purchaser (the "Buyer");
- (b) the price per share which the Buyer is proposing to pay;
- (c) the manner in which the consideration is to be paid;
- (d) the number of Equity Shares which the Selling Founder/[Employee] proposes to sell; and
- (e) the address where the counter-notice should be sent.

22.3. Each Series A Preferred Shareholder shall be entitled within ten (10) Business Days after receipt of the Co-Sale Notice, to notify the Selling Founder/Employee that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where

X is the number of Equity Shares held by the Equity Holder;

Y is the total number of Equity Shares;

Z is the number of Equity Shares the Selling Founder/[Employee] proposes to sell;

Any Equity Holder who does not send a counter-notice within such five (5) Business Day period shall be deemed to have specified that they wish to sell no shares.

22.4. Following the expiry of five (5) Business Days from the date the Series A Preferred Shareholders receive the Co-Sale Notice, the Selling Founder /Employee shall be entitled to sell to the Buyer on the terms notified to the Series A Preferred Shareholders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Series A Preferred Shareholders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Series A Preferred Shareholders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Founder/Employee from the Buyer.

22.5. No sale by the Selling Founder/Employee shall be made pursuant to any Co-Sale Notice more than three (3) months after service of that Co-Sale Notice.

22.6. Sales made in accordance with this Article 22 shall not be subject to Article 17.

23. Drag-along

23.1. If (a) the holders of 75% or more of the share capital of the Company (the "**75% Holders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser or (b) at any time five (5) years after the Date of Adoption of these Articles, an Investor Majority elect to propose a sale of the Company (with the 75% Holders and the Investor Majority being the "**Selling Shareholders**"), the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article.

23.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.

23.3. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within forty (40) Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

23.4. 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 Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.

23.5. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

23.6. Within five (5) Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of that five (5) Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 23.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 23.4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 23.4 in trust for the Called Shareholders without any obligation to pay interest.

23.7. To the extent that the Proposed Purchaser has not, on the expiration of such five (5) Business Day period, put the Company in funds to pay the amounts due pursuant to Article 23.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 23 in respect of their Shares.

23.8. If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five (5) Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)).

to the extent the Proposed Purchaser has, at the expiration of that five (5) Business Day period, put the Company in funds to pay the amounts due pursuant to Article 23.4 for the Called Shareholder's Shares offered to him, her or it. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his, her or its share certificate for his, her or its Shares (or provide a suitable indemnity) to the Company. On surrender, he, she or it shall be entitled to the amount due to him, her or it pursuant to Article 23.4.

23.9. Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 17.

23.10. On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

24. General meetings

24.1. In Regulation 37 of Table A there shall be substituted for the words "in accordance with the Act" the words "for a date not later than twenty-eight days after the date on which the directors become subject to the requirement under section 303 of the 2006 Act".

25. Proxies

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a) be deposited at the registered office of the Company or at any other place within the United Kingdom or Germany as may be specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to the Secretary or to any Director; or
- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the Secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

26. Directors' borrowing powers

Subject to the limitation set forth in Article 12.2 of these Articles, the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.

27. Alternate directors

Notwithstanding any provision of these Articles to the contrary, any person appointed as a director may appoint any person as he, she or it thinks fit to be his, her or its alternate Director and the appointment of an alternate Director shall not require approval by a resolution of the Directors, and in its application to the Company Regulation 65 of Table A shall be modified accordingly.

28. Number of Directors; No Rotation

28.1 Unless and until the Company in general meeting shall otherwise determine the number of Directors shall be not less than five (5).

28.2 The Directors shall not be subject to rotation (and thus the Regulations in Table A) 73 to 75 (inclusive) and the last two sentences of Regulation 79 shall not apply and Regulations 76, 77 and 78 shall be modified accordingly.

29. Appointment of Directors

29.1. The Investors shall be entitled to nominate a total of two people to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Investors shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his or her place.

29.2. The holders of a majority in interest of the Ordinary Shares shall be entitled to elect two (2) directors to the Board, one (without restriction) who would initially be Christophe Maire and one person selected by the Founders, who shall initially be Alexander Ljung.

29.3. The holders of the Ordinary Shares and the Series A Shares voting together as a single class would be entitled, subject to approval by Doughty Hanson, to elect a director to the Board to serve as a non-executive chairman.

29.4. An appointment or removal of a Director under Article 29.1, 29.2 or 29.3 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

29.5. Each Investor Director shall be entitled at his or her request to be appointed to any committee of the Board established from time to time and to the board of directors (or locally equivalent body) of any Subsidiary Undertaking.

29.6. The Investors shall be entitled to appoint one person to act as an observer to the Board. The observer shall be entitled to attend and speak at all meetings of the Board and receive copies of all board papers as if he or she were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.

29.7. In its application to the Company, Regulation 78 of Table A shall be modified by the deletion of the words "... and may also determine the rotation in which any additional Directors are to retire".

29.8. In its application to the Company, Regulation 84 of Table A shall be modified by the deletion of the third and final sentences.

30. Disqualification of Directors

In addition to that provided in Regulation 81 of Table A, the office of a Director shall also be vacated if:

- (a) he, she or it is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his or her office be vacated;
- (b) in the case of Directors, other than an Investor Director, if a majority of his or her co-Directors serve notice on him, her or it or her in writing, removing him or her from office.

31. Proceedings of Directors

31.1. To be quorate, any meeting of the Board must include at least three (3) directors, including at least one Investor Director and the Founder Director. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the directors present at such meeting (including, if present, at least one of the Investor Directors and, if present, the Founder Director). If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

31.2. In its application to the Company Regulation 89 of Table A shall be modified:

- (a) by the deletion of the words "may be fixed by the Directors and unless so fixed at any other number" in the first sentence; and
- (b) by the addition of the following as the final sentence:

"In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he, she or it is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present".

31.3. Any Director who participates in the proceedings of a meeting by means of a communication device (including a telephone) which allows all the other Directors present at that meeting (whether in person or by alternate or by means of that type of communication device) to hear at all times that Director and that Director to hear at all times all other Directors present at the meeting (whether in person or by alternate or by means of that type of communication device) shall be deemed to be present at the meeting and shall be counted when reckoning a quorum. A meeting held by these means shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

31.4. A Director may vote at a meeting of the Directors, and form part of a quorum present at that meeting, in relation to any matter in which he, she or it has, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that he, she or it has

previously disclosed the nature of such duty or interest to the Directors. The provisions of Regulation 86 of Table A shall be taken to apply equally to any disclosure to be made under the provisions of this Article.

31.5. Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.

32. Execution of documents

In its application to the Company, Regulation 101 of Table A shall be modified by the addition of the following sentence:

"Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the Secretary, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act or the 2006 Act) have effect as if executed under seal".

33. Dividends

In Regulation 103 of Table A the words from "If the share capital is divided" to the end of the third sentence of the Regulation shall be deleted.

34. Notices

34.1. Any notice shall be in writing and shall be conclusively deemed to have been duly given:

- (a) when hand delivered to the relevant party;
- (b) when received when sent by facsimile, e-mail (if also faxed) at the relevant address;
- (c) five (5) Business Days after dispatch if sent from a location in the United Kingdom to an address in the United Kingdom by post;
- (d) two (2) Business Days after dispatch if sent by a reputable international overnight courier addressed to the relevant party provided that delivery in at least two (2) Business Days was guaranteed at the time of sending and the sending Party receives a confirmation of delivery from the courier service provider.

34.2. In proving service of a notice it shall be sufficient to prove that personal delivery was made, or that the relevant notice or other written communication was properly addressed stamped and posted or in the case of a facsimile or e-mail (and confirmatory fax) evidence that the relevant communication was properly sent.

34.3. Regulation 115 of Table A shall be deleted.

35. Indemnities and insurance

35.1. Subject to the provisions of the 2006 Act:

- (a) every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he, she or it may sustain or incur in or about the execution of the duties of his, her or its office or otherwise in relation to his, her or

its office, including any liability incurred by him, her or it in defending any proceedings, whether civil or criminal, in which judgment is given in his, her or its favour or in which he, she or it is acquitted or in connection with any application under sections 144 or 727 of the Act or sections 661(3) or (4) or 1157 of the 2006 Act in which relief is granted to him, her or it by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his, her or its office or otherwise in relation to his, her or its office;

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him, her or it in respect of any negligence, default, breach of duty or breach of trust of which he, she or it may be guilty in relation to the Company.

35.2. The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his, her or its office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him, her or it in respect of any negligence, default of duty or breach of trust of which he, she or it may be guilty in relation to the Company.

36. Data protection

Each of the shareholders and directors 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 limited purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article shall include any information 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. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies who have a "need to know" and who are bound by appropriate confidentiality restrictions. Each of the Company's shareholders and directors (from time to time) consent to the transfer of relevant personal data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or reasonably desirable to do so.

37. Secretary

Subject to the provisions of the Act and/or the 2006 Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them. Regulation 99 of Table A shall not apply.

38. Directors' Conflicts Of Interest

38.1. In accordance with the 2006 Act:

- (a) the directors may authorise any matter or situation arising on or after 1 October 2008 in which a director (the "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could

take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "Conflict Situation");

- (b) any authorisation given in accordance with this Article 38.1 may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain Board meetings, withholding from him, her or them certain Board or other papers and/or denying him, her or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- (c) in considering any request for authorisation in respect of a Conflict Situation, the directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation,

provided that, in the case of a director who is not an Investor Director, the provisions of this Article 38.1 shall be subject to consent by the Investor Majority.

38.2. Without requiring authorisation under the provisions of Article 38.1:

- (a) an Investor Director may be or become subject to one or more Conflict Situations as a result of having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company, the Investor which appointed him or her and/or any Affiliated Party of that Investor; and
- (b) any director (not being an Investor Director) may be or become subject to one or more Conflict Situations as a result of having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company,

and Regulation 85 of Table A is extended accordingly.

38.3. If any Conflict Situation is authorised or otherwise permitted under the Articles, the Conflicted Director (for as long as he or she reasonably believes such Conflict Situation subsists):

- (a) shall not be required to disclose to the Company (including the Board or any committee of it) any confidential information relating to such Conflict Situation which he or she obtains or has obtained otherwise than in his or her capacity as a director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him or her to another person;
- (b) shall be entitled to attend or absent himself or herself from all or any meetings of the Board (or any committee of it) at which anything relating to such Conflict Situation will or may be discussed; and
- (c) shall be entitled to make such arrangements as he or she thinks fit to receive or not receive documents or information (including, without limitation, Board papers (or those of any committee

of it)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his or her behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty he or she owes to the Company pursuant to Sections 171 to 177 (inclusive), 2006 Act and the provisions of this Article 38.3 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

38.4. Where a Conflict Situation has been authorised or is otherwise permitted under these Articles:

- (a) the Conflicted Director shall not, by reason of his or her office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he or she derives from such Conflict Situation;
- (b) no contract, arrangement, transaction or proposal shall be avoided on the grounds of the Conflicted Director having any interest in the Conflict Situation or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit; and
- (c) the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, 2006 Act,

provided (save in the case of a Conflict Situation of an Investor Director which is permitted under Article 38.1(a)) the Conflicted Director has disclosed the nature and extent of his or her interest in the Conflict Situation to the other directors. Regulation 85 is extended accordingly.

The Companies Acts 1985 to 1989



Private Company Limited by Shares

MEMORANDUM OF ASSOCIATION

OF

SoundCloud Limited

1. The Company's name is SoundCloud Limited
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
 - (A) To carry on business as a general commercial company.
 - (B) To carry on any other trade or business which, in the opinion of the Board of Directors, is advantageous to the Company and to do all other things as are incidental or conducive to the attainment of the objects of the Company.
4. The Company is authorised to establish branches outside the territory of the United Kingdom.
5. The liability of the members is limited.
6. The Company's share capital is £18,876 and €18,505 divided into 1,467,400 Ordinary Shares of £0.01 each and 420,200 Deferred Shares of £0.01 each and 814,000 A Preferred Shares of €0.01 and 1,036,500 Ordinary Shares of €0.01 each.

We, the subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our names.

Name and addresses of Subscribers

Number of shares taken
by the Subscriber

1	Eric Wahlforss Torstraße 66 101 19 Berlin Germany	Four Thousand Six Hundred and Eighty
2	Alexander Ljung Brunnenstraße 193 101 19 Berlin Germany	Four Thousand Three Hundred and Twenty
Total shares taken		9000

Dated 9 April 2009

G

COMPANIES FORM No. 123
Notice of increase
in nominal capital

123

CHWP000

Please do not
write in
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete
legibly, preferably
in black type, or
bold block lettering

To the Registrar of Companies
(Address overleaf)

For official use

Company number

--	--	--

06343600

Name of company

* insert full name
of company

* SOUND CLOUD LIMITED

gives notice in accordance with section 123 of the above Act that by resolution of the company
dated 9 APRIL 2009 the nominal capital of the company has been
increased by £ 3,971 & €18,505 beyond the registered capital of £ 14,905.

† the copy must be
printed or in some
other form approved
by the registrar

A copy of the resolution authorising the increase is attached. †

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new
shares have been or are to be issued are as follows :

as set out in the articles of association of the company from time to time.

Please tick here if
continued overleaf

☐

‡ Insert
Director,
Secretary,
Administrator,
Administrative
Receiver or
Receiver
(Scotland) as
appropriate

Signed



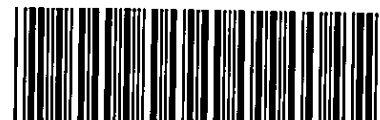
Designation ‡ DIRECTOR

Date 9 APRIL 2009

Presenter's name address and
reference (if any) :

For official Use (02/06)
General Section

MONDAY



LD5 11/05/2009 40
COMPANIES HOUSE