

**Company Number: 06562273**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS OF**  
**BOILER ROOM (UK) LIMITED** (the "**Company**")

Pursuant to Chapter 2 of the Companies Act 2006 (the "**Act**") resolution 1 below is proposed as an ordinary resolution and resolutions 2 and 3 below are proposed as special resolutions (together the "**Resolutions**"), and are first circulated to the members of the Company on 15 October 2014 (the "**Circulation Date**")

**ORDINARY RESOLUTION**

1. That, in accordance with section 551 of the Act, the directors of the Company (the "**Directors**") be and hereby are generally and unconditionally authorised to allot D ordinary shares of £0.01 each in the Company up to an aggregate nominal amount of £16.18 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date of this resolution. This authority is in addition to all previous authorities conferred on the Directors in accordance with section 551 of the Act and is without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities


**SPECIAL RESOLUTIONS**

2. That all rights of pre-emption and other restrictions attaching to the allotment and issue of equity securities (as defined in section 560(1) of the Act) in the Company be and hereby are irrevocably waived and dis-applied in relation to the proposed allotment and issue of 1,618 D ordinary shares of £0.01 each in the Company to Conegliano Ventures GP, LLC in each case whether such pre-emption rights and other restrictions are conferred by statute, the articles of association of the Company or otherwise
3. That the draft articles of association circulated with this resolution be and hereby are adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Please read the notes at the end of this document before signifying your agreement to the Resolutions proposed above.

The undersigned, being all the members of the Company entitled to vote on the above Resolutions on the Circulation Date, irrevocably agree to the Resolutions:



  
.....  
Blaise Bellville

Dated 15/10/2014

.....  
For and on behalf of Vice UK Limited

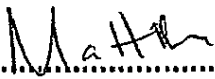
Dated .

## NOTES

- 1 If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:
  - **By Hand:** delivering the signed copy to Blaise Bellville at 41 Great Portland Street, London W1W 7LA
  - **Post:** returning the signed copy by post to Blaise Bellville at 41 Great Portland Street, London W1W 7LA
  - **Email:** by scanning your signed copy and emailing to Blaise Bellville at [blaise@boilerroom.tv](mailto:blaise@boilerroom.tv)
- 2 If you do not agree to all of the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply. You may not agree to only one of the Resolutions.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. Unless, by the end of the period of 28 days beginning with the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us on or before this date.
5. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
- 6 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

.....  
Blaise Bellville

Dated . . .

  
.....  
For and on behalf of Vice UK Limited

Dated 15/10/2014

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6. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

**THE COMPANIES ACT 2006**

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**PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**- OF -**

**BOILER ROOM (UK) LIMITED**

**MACFARLANES**

Macfarlanes LLP  
20 Cursitor Street  
London EC4A 1LT

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THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- OF -

BOILER ROOM (UK) LIMITED

(the "Company")

(Adopted by special resolution passed on

2014)

1 **Interpretation**

1 1 In these Articles, the following words have the following meanings

**A Shares** A ordinary shares of £0.01 each in the capital of the Company,

**Accepting Shareholder** has the meaning given in article 19.5,

**Acquisition Price** in respect of any Share, the amount paid by the holder to acquire that Share (whether by way of transfer or subscription), being, in the case of the Shares acquired on or around the date of adoption of these Articles

(a) £702.69 in respect of each C Share, and

(b) £1038.29 in respect of each D Share,

**Act** the Companies Act 2006,

**Acting in Concert** has the meaning given to it in the City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time),

**Allocation Notice** has the meaning given in article 17.11,

**Applicant** has the meaning given in article 17.11,

**Appointor** has the meaning given in article 12.1,

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

**Bad Leaver** an Employee who ceases to be an Employee (and does not continue as such in relation to any member of the Group), but is not a Good Leaver,

**Bankrupt** a person who (i) is declared bankrupt, or (ii) in respect of whom a voluntary arrangement under the Insolvency Act 1986 is adopted, or (iii) takes any action or proceeding in any jurisdiction that has an effect equivalent or similar to any of the actions mentioned in (i) and (ii),

**Board:** the board of directors of the Company from time to time,

**B Shares.** B ordinary shares of £0.01 each in the capital of the Company,

**Business Day** any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

**Buyer.** has the meaning given in article 19.1,

**Called Shareholders** has the meaning given in article 20.1,

**Called Shares** has the meaning given in article 20.1,

**Compulsory Sellers.** has the meaning given in article 21.1,

**Conflict:** has the meaning given in article 9.1,

**Consideration** has the meaning given in article 17.11,

**Continuing Shareholder** has the meaning given in article 17.8,

**Controlling Interest.** an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the Corporation Tax Act 2010,

**Cost** in respect of each Sale Share, the acquisition cost of such Sale Share on the first occasion on which that Sale Share was acquired by the relevant Employee or one of his Related Parties (excluding any acquisition from that Employee or one of his Related Parties),

**C Shares:** C ordinary shares of £0.01 in the capital of the Company,

**D Shares:** D ordinary shares of £0.01 in the capital of the Company,

**Drag Along** has the meaning given in article 20.1,

**Drag Along Option:** has the meaning given in article 20.3,

**Eligible Director:** any X Director, Y Director, Investor Director or Non-Executive Director who would be entitled to vote on the matter at a meeting of directors (but excluding any X Director, Y Director, Investor Director or Non-Executive Director whose vote is not to be counted in respect of the particular matter),

**Employee** a holder of B Shares or a holder of Shares that have been acquired by that holder pursuant to the exercise of an option agreement (which in either circumstance shall not include Blaise Bellville) who is employed by, or is a director of, or is a consultant to, the Company or any member of the Group,

**Expert** an independent firm of accountants jointly appointed by the Shareholders or, in the absence of agreement between the Shareholders on the identity of the expert within 20 Business Days of a Shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the Institute of Chartered Accountants in England and Wales (acting as an expert and not as an arbitrator),

**Fair Value** means the value of the Sale Shares determined in accordance with article 18.6,

**First Offer Period** has the meaning given in article 17.8,

**Flotation:** the effective admission of ordinary shares of the Company (or any holding company of the Company)

(a) to listing on the Official List of the Financial Conduct Authority and to trading on the Main Market of London Stock Exchange plc, or

- (b) to trading on AIM, a market operated by London Stock Exchange plc, or
- (c) to trading on any other investment exchange in respect of which a recognition order has been made under s 290 Financial Services and Markets Act 2000,

**Good Leaver** an Employee who ceases to be an Employee (and does not continue as such in relation to any member of the Group) in any of the following circumstances

- (a) death,
- (b) ill health or permanent disability or becoming a Patient,
- (c) redundancy (as defined in the Employment Rights Act 1996),
- (d) the sale or disposal of the subsidiary undertaking or business by which he is employed (where as a result of such sale or disposal such person's employer is no longer a Group Company), or
- (e) where it is otherwise determined by the Board that the Employee in question is as a Good Leaver for the purposes of these Articles,

**Group.** any subsidiary of any holding company of the Company or any other subsidiary of any holding company of the Company and references to a "member of the Group" shall be construed accordingly,

**holding company** and **subsidiary** mean a "holding company" and "subsidiary" as defined in section 1159 of the Act and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c) of the Act, as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee,

**Initial Surplus Shares** has the meaning given in article 17 9,

**Interested Director** has the meaning given in article 9 1,

**Investor:** the holder of the Investor Shares,

**Investor Director:** any director appointed to the Board by holders of the Investor Shares in accordance with article 11 1,

**Investor Shares:** the C Shares and D Shares,

**Minimum Transfer Condition** has the meaning given in article 17 5,

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

**Net Proceeds**

- (i) in relation to a Flotation, the price per share (expressed in pounds sterling) at which ordinary shares in the Company are proposed to be sold in connection with the Flotation (in the case of an offer for sale, being the underwritten price or if applicable the minimum tender price, and in the case of a placing being the placing price) in each case multiplied by the number of ordinary shares in the Company which will be in issue immediately following the Flotation and less the reasonable costs and expenses of the members associated with the Flotation, or
- (ii) in relation to a Sale, the aggregate consideration payable for the Shares comprised in the Sale (together with an amount equal to any other consideration (in cash or



otherwise) which, having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for those Shares), less the costs and expenses of the Shareholders in connection with the Sale,

**New Securities** 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 of these Articles,

**Non-Executive Director:** any non-executive director appointed to the Board by the holders of the X Shares in accordance with article 11 1,

**Obligation Transfer Events** has the meaning given in article 18 1,

**Offer.** has the meaning given in article 19 2,

**Offer Notice:** has the meaning given in article 19 3,

**Offer Period:** has the meaning given in article 19 3,

**Offer Shares:** has the meaning given in article 19 3,

**Patient** a person who is certified by a qualified medical practitioner to lack capacity (as defined in s 2 Mental Capacity Act 2005),

**Permitted Group:** in relation to a company, any wholly owned subsidiary of that company, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company, and each company in a Permitted Group is a member of the Permitted Group Unless the context otherwise requires, the application of the definition of Permitted Group to any company at any time will apply to the company as it is at that time,

#### **Permitted Transferee**

- (a) in relation to a Shareholder that is a company, any member of the same Permitted Group as that company,
- (b) in relation to a Shareholder that is an individual, to any company that is wholly owned and controlled by that Shareholder,
- (c) in relation to the Investor
  - (i) a member of the same group as the Investor,
  - (ii) where the Investor is, or holds shares as trustee or nominee for, or otherwise on behalf of, a partnership, unit trust or other fund (however constituted)
    - (x) the holders of units in, or partners in or members of or investors in such partnership, unit trust or fund,
    - (y) a partnership, unit trust or fund which has the same general partner, manager or adviser as such partnership, unit trust or fund, or whose general partner, manager or adviser is a member of the same group as the general partner, manager or adviser of such partnership, unit trust or fund,
    - (z) a trustee or nominee for any such partnership, unit trust or fund as is referred to in paragraph (y) above,

**Prescribed Price** has the meaning given in article 21 2,

**Proposed Buyer** has the meaning given in article 20 1,

**Proposed Transferor** has the meaning given in article 19 1,

**Purchase Notice** has the meaning given in article 18 5,

**Realisation** a Flotation or a Sale,

**Related Party** in respect of any person, any Permitted Transferee of that person,

**Sale:**

- (a) the sale of all of the issued Shares to a single purchaser (or to one or more purchasers as part of a single transaction), or
- (b) the sale of less than all of the issued Shares in circumstances where the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale or any offer to purchase becoming unconditional be) entitled to acquire the issued Shares not agreed to be acquired pursuant to such agreement or agreements or offer in accordance with the provisions of Part 28 Ch 3 of the Act or pursuant to the provisions of article 20,

**Sale Shares** the Shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice,

**Second Offer Period** has the meaning given in article 17 9,

**Second Surplus Shares.** has the meaning given in article 17 9,

**Seller.** the transferor of Shares pursuant to a Transfer Notice,

**Sellers Shares:** has the meaning given in article 20 1,

**Selling Shareholder:** has the meaning given in article 20 1,

**Share Option Plan:** the Company's Enterprise Management Incentive share option scheme pursuant to which options over B Shares in the Company may be granted to directors, employees and consultants of the Company in such number as may be decided by the Board,

**Shareholder:** a holder of Shares,

**Shares** shares (of any class) in the capital of the Company,

**Specified Price** has the meaning given in article 19 2,

**Transfer Date** has the meaning given in article 19 3,

**Transfer Notice** an irrevocable notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer or offer for transfer (or enter into an agreement to transfer) any Shares Where such notice is deemed to have been served it shall be referred to as a **Deemed Transfer Notice**,

**Transfer Price** has the meaning given in article 17 5,

**Transferor** has the meaning given in article 18 1,

**Valuer:** has the meaning given in article 21 2 2,

**Writing or written:** the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 17, article 18,

article 19 and article 20, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax),

**X Director** any director appointed to the Board by the holders of the X Shares in accordance with article 11 1,

**Y Director:** any director appointed to the Board by the holders of the X Shares in accordance with article 11 1,

**X Shares:** X ordinary shares of £0 01 in the capital of the Company, and

**Y Shares:** Y ordinary shares of £0 01 in the capital of the Company

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1 5 Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms
- 1 6 A reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established
- 1 7 Save as expressly provided otherwise in these Articles, 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

## 2 **Application of the Model Articles**

- 2 1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation
- 2 2 Articles 6(2), 7, 8, 9(1), 11 to 14 (inclusive), 16, 17, 22, 26(5), 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) of the Model Articles shall not apply to the Company
- 2 3 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors and the secretary)" before the words "properly incur"
- 2 4 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 2 5 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide" Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide"

### **3 Directors' meetings**

- 3 1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4
- 3 2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit
- 3 3 Meetings of the directors shall take place at least 4 times each year, with a period of not more than 13 weeks between any two meetings
- 3 4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes
- 3 5 If at any time at or before any meeting of the directors or of any committee of the directors all X Directors participating, all Y Directors participating or the Investor Director should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once
- 3 6 A committee of the directors must include at least one X Director, one Y Director and the Investor Director. The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors

### **4 Unanimous decisions**

- 4 1 A decision of the directors is taken in accordance with this article when all Eligible Directors indicate to each other by any means that they share a common view on a matter
- 4 2 Such a decision may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing
- 4 3 A decision may not be taken in accordance with this article if the Eligible Directors would not have formed a quorum at a directors' meeting to vote on the matter in accordance with article 7

### **5 Number of directors**

- 5 1 The number of directors shall be not less than one and not more than five, being
  - 5 1 1 the Investor Director,
  - 5 1 2 the Y Director,
  - 5 1 3 two X Directors, and
  - 5 1 4 the Non-Executive Director
- 5 2 No shareholding qualification for directors shall be required

## 6 **Calling a directors' meeting**

6 1 Any director may call a meeting of directors by giving not less than seven Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by at least one X Director, one Y Director and the Investor Director) to each director or by authorising the Company secretary (if any) to give such notice

6 2 Notice of any directors' meeting must be accompanied by

6 2 1 an agenda specifying in reasonable detail the matters to be raised at the meeting, and

6 2 2 copies of any papers to be discussed at the meeting

6 3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing

## 7 **Quorum for directors' meetings**

7 1 The quorum at any meeting of the directors (including adjourned meetings) shall be two directors (one of whom must be the Investor Director or his alternate and one of whom must be an X Director or his alternate) No business shall be conducted at any meeting of the directors unless a quorum is participating at the beginning of the meeting and also when that business is voted on If a quorum is not participating within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be reconvened at the same day and time the following week

7 2 If the quorum was not participating in the meeting by reason of the Investor Director being absent and the Investor Director is not present at the reconvened meeting, then such meeting shall be quorate if any two directors (excluding the Investor Director but including the X Director) are present If the quorum was not participating in the meeting by reason of the X Director being absent and the X Director is not present at the reconvened meeting, then such meeting shall be quorate if any two directors (excluding the X Director but including the Investor Director) are present

## 8 **Chairing of directors' meetings**

The post of chairman of the directors will be held by an X Director The chairman shall not have a casting vote If the chairman for the time being is unable to attend any meeting of the board of directors, the Shareholders who appointed him shall be entitled to appoint another of its nominated directors to act as chairman at the meeting

## 9 **Directors' interests**

9 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (the "**Interested Director**") breaching his duty under section 175 of the Act to avoid conflicts of interest (the "**Conflict**")

9 2 Any authorisation under this article will be effective only if

9 2 1 to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles,

9 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

9 2 3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted

- 9 3 Any authorisation of a Conflict under this article may (whether at the time of giving the authorisation or subsequently)
- 9 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,
- 9 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- 9 3 3 provide that the Interested Director will or will not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- 9 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- 9 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence, and
- 9 3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters
- 9 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 9 5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation
- 9 6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of Shares) in, the Shareholder who appointed him as a director of the Company, or any other member of such Shareholder's Permitted Group, and no authorisation under article 9 1 shall be necessary in respect of any such interest
- 9 7 Any X Director, Y Director or Investor Director shall be entitled from time to time to disclose to the holders of X Shares, the holders of Y Shares or the holders of Investor Shares (as the case may be) such information concerning the business and affairs of the Company as he shall at his discretion see fit, subject only to the condition that if there be more than one holder of X Shares, one holder of Y Shares or one holder of Investor Shares (as the case may be), the director concerned shall ensure that each of the Shareholders of the same class receives the same information on an equal footing
- 9 8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds
- 9 9 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company

shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act

9 10 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 9 9

9 11 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 9 3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company

9 11 1 may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested,

9 11 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

9 11 3 shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested,

9 11 4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,

9 11 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and

9 11 6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

## **10 Records of decisions to be kept**

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

## **11 Appointment and removal of directors**

11 1 The holders of a majority of the X Shares for the time being shall be entitled to appoint and maintain two persons to be X Directors of the Company (the first such persons shall be Blaise Bellville and Mazdak Sani), the holders of a majority of the Y Shares for the time being shall be entitled to appoint and maintain one person to be a Y Director of the Company (the first such person shall be Matt Elek), the holders of a majority of the Investor Shares for the time being shall be entitled to appoint and maintain one person to be an Investor Director of the Company (the first such person shall be Noam Ohana), and the holders of a majority of the X Shares for the time being shall (with the prior written consent

of the holders of a majority of the Investor Shares from time to time in issue) be entitled to appoint the Non-Executive Director

- 11 2 Where no Y Director has been appointed, the holders of a majority of the Y Shares shall be entitled to appoint one person to act as an observer at meetings of directors and meetings of any committee of the directors. The observer shall be entitled to receive notice of, and attend and speak at, all meetings of directors and meetings of any committee of the directors and to receive copies of all board papers as if he were a director, but shall not be entitled to vote on any resolutions proposed
- 11 3 Where no Investor Director has been appointed, the holders of a majority of the Investor Shares shall be entitled to appoint one person to act as an observer at meetings of directors and meetings of any committee of the directors. The observer shall be entitled to receive notice of, and attend and speak at, all meetings of directors and meetings of any committee of the directors and to receive copies of all board papers as if he were a director, but shall not be entitled to vote on any resolutions proposed
- 11 4 Any X Director may at any time be removed from office by the holders of a majority of the X Shares, any Y Director may at any time be removed from office by the holders of a majority of the Y Shares, any Investor Director may be removed from office by the holders of a majority of the Investor Shares and any Non-Executive Director may be removed from office by the holders of a majority of the X Shares (acting with the prior written consent of the Investor). Any director (other than Blaise Bellville) who is an employee of the Company and who ceases to be an employee shall be removed from office with effect from the date his employment ceases
- 11 5 Any appointment or removal of a director pursuant to this article shall be in writing and signed by or on behalf of the holders of a majority of the X Shares, the Y Shares or the Investor Shares (as the case may be) and served on each of the other Shareholders and the Company at its registered office. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice
- 11 6 The right to appoint and to remove X Directors, Y Directors, Investor Directors or Non-Executive Directors under this article shall be a class right attaching to the X Shares, the Y Shares and the Investor Shares respectively
- 11 7 If no X Shares, Y Shares or Investor Shares remain in issue following a redesignation under these Articles, any director appointed by Shareholders of that class shall be deemed to have been removed as from the redesignation
- 11 8 No X Director, Y Director or Investor Director shall be appointed or removed otherwise than pursuant to these Articles, save as provided by law

## **12 Alternate directors**

- 12 1 Any director (other than an alternate director) (in this article, the "**Appointor**") may appoint any person (whether or not a director), except for an existing director representing another class of Shares, to be an alternate director to exercise that director's powers, and carry out that director's responsibilities, in relation to the taking of decisions by the directors, in the absence of the alternate's Appointor. In these Articles, where the context so permits, the term "X Director", "Y Director", "Investor Director" or "Non-Executive Director" shall include an alternate director appointed by an X Director, a Y Director, an Investor Director or a Non-Executive Director (as the case may be). A person may be appointed an alternate director by more than one director provided that each of his Appointors represents the same class of Shares but not otherwise
- 12 2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors
- 12 3 The notice must



- 12 3 1 identify the proposed alternate, and
- 12 3 2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice
- 12 4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor
- 12 5 Except as the Articles specify otherwise, alternate directors
  - 12 5 1 are deemed for all purposes to be directors,
  - 12 5 2 are liable for their own acts and omissions,
  - 12 5 3 are subject to the same restrictions as their Appointors, and
  - 12 5 4 are not deemed to be agents of or for their Appointors,

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his Appointor is a member
- 12 6 A person who is an alternate director but not a director
  - 12 6 1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's Appointor is not participating), and
  - 12 6 2 may participate in a unanimous decision of the directors (but only if his Appointor is an Eligible Director in relation to that decision, and does not himself participate)
- 12 7 A director who is also an alternate director is entitled, in the absence of his Appointor, to a separate vote on behalf of his Appointor, in addition to his own vote on any decision of the directors (provided that his Appointor is an Eligible Director in relation to that decision)
- 12 8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct
- 12 9 An alternate director's appointment as an alternate terminates
  - 12 9 1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
  - 12 9 2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director, or
  - 12 9 3 when the alternate director's Appointor ceases to be a director for whatever reason
- 13 **Share capital**
  - 13 1 Except as otherwise provided in these Articles, the A Shares, B Shares, C Shares, D Shares, X Shares and Y Shares shall rank pari passu in all respects but shall constitute separate classes of shares

13 2 No variation of the rights attaching to any class of Shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of Shares. Where a special resolution to vary the rights attaching to a class of Shares is proposed at a separate general meeting of that class of Shares, all the provisions of these Articles as to general meetings of the Company shall apply mutatis mutandis, but so that the necessary quorum shall be one holder of the relevant class present in person or by proxy or (being a corporation) by a duly authorised representative. For the purpose of this article, one holder present in person or by proxy or (being a corporation) by a duly authorised representative may constitute a meeting.

13 3 Each of the following shall be deemed to constitute a variation of the rights attached to each class of Shares (other than the A Shares or B Shares)

13 3 1 any alteration in the Articles,

13 3 2 any reduction, subdivision, consolidation, redenomination, purchase or redemption by the Company of its own shares or other alteration in the share capital of the Company or any of the rights attaching to any share capital (save for the grant of any options under, or the allotment and issue of B Shares pursuant to, the Share Option Plan), and

13 3 3 any resolution to put the Company into liquidation

## 14 Share rights

The A Shares, B Shares, C Shares, D Shares, X Shares and Y Shares shall have the following rights and be subject to the following restrictions

### 14 1 Capital

On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be applied

14 1 1 where the surplus assets are less than £5,894,600

14 1 1 1 first, to the Investor until the Investor has received an amount equal to the Acquisition Price of each D Share held by it,

14 1 1 2 secondly, to the Investor until the Investor has received an amount equal to the Acquisition Price of each C Share held by it, and

14 1 1 3 thereafter, amongst all Shareholders other than the Investor in proportion to the numbers of Shares held by them respectively, and

14 1 2 where the surplus assets are equal to or greater than £5,894,600

14 1 2 1 first, to the Investor until the Investor has received an amount equal to the Acquisition Price of each D Share held by it, and

14 1 2 2 thereafter, amongst all Shareholders in proportion to the numbers of Shares held by them respectively

### 14 2 Realisation

On a Realisation, the Net Proceeds shall be paid

14 2 1 where the Net Proceeds are less than £5,894,600

- 14 2 1 1 first, to the Investor until the Investor has received an amount equal to the Acquisition Price of each D Share held by it,
  - 14 2 1 2 secondly, to the Investor until the Investor has received an amount equal to the Acquisition Price of each C Share held by it, and
  - 14 2 1 3 thereafter, amongst all Shareholders other than the Investor in proportion to the numbers of Shares held by them respectively, and
- 14 2 2 where the Net Proceeds are equal to or greater than £5,894,600
  - 14 2 2 1 first, to the Investor until the Investor has received an amount equal to the Acquisition Price of each D Share held by it, and
  - 14 2 2 2 thereafter, amongst all Shareholders in proportion to the numbers of Shares held by them respectively
- 15 **Unissued shares**
  - 15 1 Unless otherwise agreed by the holders of at least 90% of the Shares in issue, 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 Shareholders pro rata to the number of Shares (as if the Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions) The offer
    - 15 1 1 shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) and give details of the number and subscription price of the New Securities, and
    - 15 1 2 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
  - 15 2 Any New Securities not accepted by Shareholders pursuant to the offer made to them in accordance with article 15 1 shall be used for satisfying any requests for Excess Securities made pursuant to article 15 1 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 15 1 (as nearly as may be without involving fractions or increasing the number allotted to any Shareholder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered to any other person as the Board may determine at the same price and on the same terms as the offer to the Shareholders
  - 15 3 Subject to articles 15 1 and 15 2 and to the provisions of section 551 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
  - 15 4 The provisions of Articles 15 1 and 15 2 shall not apply to the grant of options to subscribe for up to and including 1421 B Shares under the Share Option Plan, or the allotment and issue of any B Shares pursuant to the exercise of any such options
  - 15 5 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company

## 16 Further issues of shares: authority

16 1 Subject to article 14 2 2 2 and the remaining provisions of this article 16, the directors are generally and unconditionally authorised, for the purpose of section 551 of the Act, to exercise any power of the Company to

16 1 1 offer or allot,

16 1 2 grant rights to subscribe for or to convert any security into, or

16 1 3 otherwise deal in, or dispose of,

any Shares in the Company to any person, at any time and subject to any terms and conditions as the directors think proper

16 2 The authority referred to in article 16 1

16 2 1 shall be limited to such amount as may from time to time be authorised by the Company by ordinary resolution,

16 2 2 shall only apply insofar as the Company has not, subject to these Articles, renewed, waived or revoked it by ordinary resolution, and

16 2 3 may only be exercised for a period of five years from the date of adoption of these Articles, save that the directors may make an offer or agreement which would, or might, require Shares to be allotted after the expiry of such authority (and the directors may allot Shares in pursuance of an offer or agreement as if such authority had not expired)

## 17 Share transfers subject to pre-emption rights

17 1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share

17 2 No Share shall be transferred unless the transfer is made in accordance with these Articles

17 3 A Shareholder (other than a holder of B Shares, in respect of those B Shares only) may at any time transfer all (but not some only) of its Shares to a Permitted Transferee without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in this article 17

17 4 Except where the provisions of articles 17 3, 18, 19, 20 or 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this article 17

17 5 A Seller shall, before transferring or agreeing to transfer any Shares, give a Transfer Notice to the Company specifying

17 5 1 the number of Sale Shares,

17 5 2 if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed transferee,

17 5 3 the price (in cash) per Share at which he wishes to transfer the Sale Shares (the "**Transfer Price**"), and

17 5 4 whether the proposed transfer is conditional on all, or a specific number of, the Sale Shares being sold (the "**Minimum Transfer Condition**")

- 17 6 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn
- 17 7 A Transfer Notice appoints the Company the agent and attorney of the Seller for the sale of the Sale Shares at the Transfer Price
- 17 8 As soon as practicable following the receipt of the Transfer Notice, the Board shall, in writing and giving details of the number of Sale Shares and the Transfer Price, offer the Sale Shares to all Shareholders other than the Seller (the "**Continuing Shareholders**"), inviting them to apply in writing within 28 Business Days of the date of the offer (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy

If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this article 17 8 and article 17 10 shall be conditional on the fulfilment of the Minimum Transfer Condition

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 who has applied for Sale Shares in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

If only some of the Sale Shares are allocated in accordance with this Article, 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 this article 17 8

- 17 9 If, at the end of the First Offer Period, the total 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. The balance (the "**Initial Surplus Shares**") shall be dealt with in accordance with article 17 10

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 28 Business Days of the date of the offer (the "**Second Offer Period**") for the maximum number of Initial Surplus Shares they wish to buy

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 who has applied for Initial Surplus Shares in the proportion that his existing holding of Shares (including any Sale Shares) bears to the total number of Shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded to the nearest whole number. No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy

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. The balance (the "**Second Surplus Shares**") shall be dealt with in accordance with article 17 13

- 17 10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 17 9 and article 17 10, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

- 17 11 If
- 17 11 1 the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition, and
- 17 11 2 allocations under article 17 9 and, if necessary, article 17 10 have been made in respect of some or all of the Sale Shares,
- the Board shall give written notice of allocation (the "**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (the "**Applicant**") The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (the "**Consideration**") and the place and time for completion of the transfer of the Sale Shares (which shall be at least 10 Business Days after the date of the Allocation Notice)
- 17 12 On the service of an Allocation Notice, the Seller shall, against payment of the Consideration, transfer the Sale Shares allocated in accordance with the requirements specified in the Allocation Notice
- If the Seller fails to comply with the requirements of the Allocation Notice
- 17 12 1 the Chairman of the Company (or, failing him, one of the other Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller
- 17 12 1 1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
- 17 12 1 2 receive the Consideration and give a good discharge for it, and
- 17 12 1 3 (subject to the transfers being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
- 17 12 2 the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company
- 17 13 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 17 11 then, subject to article 17 14 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 17 13 shall continue to be subject to any Minimum Transfer Condition
- 17 14 The Seller's right to transfer Shares under article 17 13 does not apply if the Board reasonably considers that
- 17 14 1 the transferee is a person (or a nominee for a person) who is a competitor with (or an Associate of a competitor with) the business of the Company, or
- 17 14 2 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

- 17 14 3 the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the Board to enable it to form the opinion mentioned above
- 17 15 The restrictions imposed by this article 17 may be waived in relation to any proposed transfer of Shares with the prior written consent of Shareholders who hold at least 75% of the Shares in issue, including the holders of (a) a majority of the Investor Shares, (b) a majority of the Y Shares and (c) a majority of the X Shares
- 17 16 Subject to article 17 10, the directors shall forthwith register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of Shares which has not been made in compliance with these Articles
- 17 17 The directors may, as a condition to the registration of any transfer of Shares (whether to a Permitted Transferee 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 the Shareholders in such 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) If any such condition is imposed in accordance with this article 17 10, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 18 **Obligatory transfers**
- 18 1 If any of the following events (the "**Obligatory Transfer Events**") happen to a Shareholder (in this article, the "**Transferor**"), it shall immediately serve a Transfer Notice on the other Shareholders (in this article, the "**Remaining Shareholders**") as soon as possible, which shall include details of the Obligatory Transfer Event
- 18 1 1 in relation to a Shareholder that is a company
- 18 1 1 1 the passing of a resolution for the liquidation of the Shareholder other than a solvent liquidation for the purpose of the reconstruction or amalgamation of all or part of the Shareholder's Permitted Group in which a new company assumes (and is capable of assuming) all the obligations of the Shareholder, or
- 18 1 1 2 the presentation at court by any competent person of a petition for the winding up of the Shareholder and which has not been withdrawn or dismissed within seven days of such presentation, or
- 18 1 1 3 a change of control (as control is defined in section 1124 of the Corporation Tax Act 2010) of the Shareholder, or
- 18 1 1 4 the issue at court by any competent person of a notice of intention to appoint an administrator to the Shareholder, a notice of appointment of an administrator to the Shareholder or an application for an administration order in respect of the Shareholder, or
- 18 1 1 5 any step is taken by any person to appoint a receiver, administrative receiver or manager in respect of the whole or a substantial part of the assets or undertaking of the Shareholder, or
- 18 1 1 6 the Shareholder being unable to pay its debts as they fall due for the purposes of section 123 of the Insolvency Act 1986, or

- 18 1 1 7 any chargor taking any step to enforcing any charge created over any Shares held by the Shareholder in the Company (other than by the appointment of a receiver, administrative receiver or manager), or
  - 18 1 1 8 a process having been instituted that could lead to the Shareholder being dissolved and its assets being distributed among the Shareholder's creditors, Shareholders or other contributors, or
  - 18 1 1 9 the Shareholder ceasing to carry on its business or substantially all of its business, or
- 18 1 2 in relation to a Shareholder who is an individual, the Shareholder becoming Bankrupt,
- 18 1 3 in relation to any Shareholder, that Shareholder committing a material or persistent breach of any shareholders' agreement to which it is a party in relation to the Company which if capable of remedy has not been so remedied within 20 Business Days of the other Shareholders notifying the Shareholder in default of such breach in writing and requiring such remedy, or
- 18 1 4 in the case of the Obligatory Transfer Events set out in articles 18 1 1, 18 1 2, 18 1 4 or 18 1 5 above, any competent person takes any analogous step in any jurisdiction in which the Shareholder carries on business
- 18 2 If the Shareholder that has suffered the Obligatory Transfer Event fails to serve a Transfer Notice, it shall be regarded as giving a Deemed Transfer Notice in relation to all its Shares on the date of the Obligatory Transfer Event or, if later, the date of the first meeting of the Board at which details of the facts or circumstances giving rise to the Deemed Transfer Notice are tabled
- 18 3 In no circumstances will a Transfer Notice or Deemed Transfer Notice served pursuant to this article 18 contain a Minimum Transfer Condition
- 18 4 As soon as practicable after service, or deemed service, of the Transfer Notice under this article 18, the Company shall appoint an Expert to determine the Fair Value of the Transferor's Shares
- 18 5 The Remaining Shareholders have the right, within 28 days of receiving notification of the Fair Value determined by the Expert (the first day being the day after the Remaining Shareholders receive the Fair Value notification) to serve a written notice (the "**Purchase Notice**") on the Transferor to buy all of the Transferor's Shares at the Fair Value. If more than one Remaining Shareholder submits a Purchase Notice indicating that it intends to acquire the Transferor's Shares, then each such Remaining Shareholder shall acquire a proportion of the Transferor's Shares equal to the ratio of its own shareholding interest to the total shareholding interests of all Remaining Shareholders submitting a Purchase Notice, unless those Remaining Shareholders agree otherwise
- 18 6 In this article the Fair Value of the Shares to be sold in the Company shall be the value that the Expert certifies to be the fair market value in his opinion based on the following assumptions
  - 18 6 1 the value of the Shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Transferor's Shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Transferor's shareholding or for the rights or restrictions applying to the Shares),
  - 18 6 2 the sale is between a willing buyer and a willing seller on the open market,



- 18 6 3 the sale is taking place on the date that the Obligatory Transfer Event occurred,
- 18 6 4 if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so,
- 18 6 5 the Shares are sold free of all encumbrances, and
- 18 6 6 to take account of any other factors that the Expert reasonably believes should be taken into account

If any problem arises in applying any of the assumptions set out in this article 18 6, the Expert shall resolve the problem in whatever manner he shall, in his absolute discretion, think fit

- 18 7 The Expert shall be requested to determine the Fair Value within 40 Business Days of his appointment and to notify the Shareholders in writing of his determination
- 18 8 Subject to any confidentiality provisions, the Expert may have access to all accounting records and other relevant documents of the Company
- 18 9 The Expert's determination shall be final and binding on the Shareholders (in the absence of fraud or manifest error)
- 18 10 If the Transferor fails to complete the transfer of Shares as required under this article 18, the Company
  - 18 10 1 is irrevocably authorised to appoint any person as agent and attorney to transfer the Shares on the Transferor's behalf and to do anything else that the Remaining Shareholders may reasonably require to complete the sale, and
  - 18 10 2 may receive the purchase price in trust for the Transferor, giving a receipt that shall discharge the Remaining Shareholders
- 18 11 Any Shareholder that has served or is deemed to have served a Transfer Notice under this article 18 or article 21 (in each case that is subsisting) shall be excluded from any offer under article 15 1, 15 2, 17 8, 17 9 or 21 4

## 19 Tag along

- 19 1 Except in the case of transfers pursuant to articles 18, 20, 21 or 17 3 ,and after first giving a Transfer Notice to the Continuing Shareholders and going through the pre-emption procedure set out in article 17, the provisions of article 19 2 to article 19 6 shall apply if, in one or a series of related transactions, one, or more, Sellers proposes to transfer any Shares (the "**Proposed Transfer**") such that the Proposed Transfer would, if carried out, result in any person (the "**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company
- 19 2 Before making a Proposed Transfer, the Seller shall procure that the Buyer makes an offer (the "**Offer**") to the Continuing Shareholders to purchase all of the Shares held by them for a consideration in cash per Share that is equal to the highest price per Share offered by the Buyer in the Proposed Transfer (the "**Specified Price**")
- 19 3 The Offer shall be given by written notice (the "**Offer Notice**"), at least 30 Business Days (the "**Offer Period**") before the proposed transfer date (the "**Transfer Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out
  - 19 3 1 the identity of the Buyer,
  - 19 3 2 the purchase price and other terms and conditions of payment,

- 19 3 3 the Transfer Date, and
- 19 3 4 the number of Shares proposed to be purchased by the Buyer (the **"Offer Shares"**)
- 19 4 If the Buyer fails to make the Offer to the Continuing Shareholders in accordance with article 19 219 2 and article 19 3, the Seller shall not be entitled to complete the Proposed Transfer and the Company shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 19 5 If the Offer is accepted by any Continuing Shareholder (the **"Accepting Shareholder"**) within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by such Accepting Shareholder
- 19 6 The Proposed Transfer is subject to the rights of pre-emption set out in article 17, but the purchase of the Offer Shares from Accepting Shareholders shall not be subject to those provisions
- 20 **Drag along**
- 20 1 If the holders of 70% or more of the Shares in issue for the time being (the **"Selling Shareholders"**) wish to transfer all of their interest in their Shares (the **"Sellers' Shares"**) to a bona fide purchaser on arm's length terms (the **"Proposed Buyer"**), the Selling Shareholders may, subject to article 20 2, require all other Shareholders (the **"Called Shareholders"**) to sell and transfer all of their Shares (the **"Called Shares"**) to the Proposed Buyer (or as the Proposed Buyer directs) in accordance with the provisions of this article (the **"Drag Along Option"**)
- 20 2 If the Investor holds more than 15 per cent of the Shares in issue at the relevant time, the Selling Shareholders may only require the Investor to sell and transfer its Shares pursuant to article 20 1 with the prior written consent of the Investor
- 20 3 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect to the Called Shareholders (the **"Drag Along Notice"**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer The Drag Along Notice shall specify
- 20 3 1 that the Called Shareholders are required to transfer all of their Called Shares pursuant to this article 20,
- 20 3 2 the person to whom the Called Shares are to be transferred,
- 20 3 3 the purchase price payable for the Called Shares (determined in accordance with article 20 4 below), and
- 20 3 4 the proposed date of the transfer
- 20 4 Once issued, a Drag Along Notice shall be irrevocable However, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 30 Business Days of serving the Drag Along Notice The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 20 5 No Drag Along Notice shall require the Called Shareholder to agree to any terms except those specifically set out in this article 20 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Buyer were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of article 14 2

- 20 6 Completion of the sale of the Called Shares shall take place on the Completion Date, which for the purposes of this article 20 means the date proposed for completion of the sale of the Sellers' Shares unless
- 20 6 1 all of the Called Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Called Shareholders and the Selling Shareholders, or
- 20 6 2 that date is less than 10 Business Days after the date on which the Drag Along Notice is served, in which case the Completion Date shall be the tenth Business Day after service of the Drag Along Notice (or such other date as is agreed in writing by all of the Called Shareholders and the Selling Shareholders)
- 20 7 The proposed sale of the Sellers' Shares by the Selling Shareholders to the Proposed Buyer is not subject to the rights of pre-emption set out in article 17
- 20 8 On or before the Completion Date, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares pursuant to article 20 3 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Called Shareholders in trust for the Called Shareholders without any obligation to pay interest
- 20 9 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the purchase price due in respect of the Called Shares, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this article 20 in respect of its Shares
- 20 10 If any Called Shareholder does not, on or before the Completion Date, execute and deliver transfer(s) in respect of all of the Called Shares held by it, each defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be its agent and attorney to execute all necessary transfer(s) on its behalf, against receipt by the Company (on trust for such holder) of the purchase price payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as he may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this article 20 10
- 20 11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant 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 Buyer and the provisions of this article 20 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
- 21 **Obligatory transfer by Employees**
- 21 1 If any Employee ceases to be an Employee and does not continue as an Employee in relation to any member of the Group immediately following such cessation, then the former Employee (if a Shareholder) and each Related Party of the former Employee who holds Shares (together the "**Compulsory Sellers**") shall, if so required by notice in writing given at

any time by the Board, be deemed to have offered for sale in accordance with this article 21 all of the Shares registered in their respective names (irrespective of whether the Shares were so registered at the date of cessation, or were registered subsequently) (also the "Sale Shares") on terms that the price at which the Sale Shares shall be offered shall be

21 1 1 in the case of a Bad Leaver, the lower of (a) Cost and (b) the Prescribed Price, and

21 1 2 in the case of a Good Leaver, the Prescribed Price

21 2 For the purposes of these Articles, the "Prescribed Price" shall mean

21 2 1 the price per Share agreed between the Company and the Compulsory Sellers, or

21 2 2 if no price can be agreed within 30 days of notice being given under article 21 1, the price determined by an experienced valuer (the "Valuer") nominated by the President of the Institute of Chartered Accountants in England and Wales on the application of the Company and appointed by the Company, acting as an expert and not as arbitrator, to be the market value of the Sale Shares which is in the opinion of the Valuer the amount which a willing purchaser would offer to a willing vendor at arm's length for the Sale Shares as at the date of cessation of the Employee's employment, office or consultancy (as the case may be) In making his determination of the market value (a) the Valuer shall not apply any discount or adjustment to reflect that the Sale Shares are not quoted, (b) there shall be no addition or subtraction of any premium or discount arising in relation to the size of the holding of the Sale Shares which are the subject of the relevant transfer, or in relation to any restrictions on the transferability of the Sale Shares arising only out of the provision of these Articles or to the different rights attaching to any class of Shares, and (c) the Valuer shall take no account of whether or not the Sale Shares carry or will cease to carry rights to vote The fees of the Valuer shall be paid half by the Company and half by the Compulsory Sellers The Company shall procure that the Valuer is given all such assistance and access to all such information in its possession or control as the Valuer may reasonably require in order to determine the Prescribed Price The Valuer shall certify in writing to the Compulsory Seller and the Company the market value determined in relation to the relevant compulsory transfer

21 3 The determination of the Prescribed Price by the Valuer shall, in the absence of fraud or manifest error, be final and binding on the Company and each of the Compulsory Sellers

21 4 Following agreement or determination of the Prescribed Price, the Company shall (on behalf of each holder of Sale Shares) offer such Sale Shares to one or more of the following

21 4 1 the Employees (other than the transferring Employee),

21 4 2 any prospective Employees, or

21 4 3 the trustees of any employee benefit trust established by the Company (if any)

and in such numbers, as the directors may, with the approval of the Investor Director and an X Director, decide

21 5 Any offer of Sale Shares under article 21 4 shall remain open for acceptance for at least 28 days commencing on the date of the offer

21 6 As soon as practicable following the expiry of the period for acceptance of such offer the Company shall give notice to the Compulsory Sellers specifying the names of the persons who have accepted the offer to purchase Sale Shares, and the numbers of Sale Shares to be purchased by them respectively

21 7 Any sale of Sale Shares pursuant to this article 21 must be completed as soon as practicable, and in any event within 14 days of the date of the notice given under article 21 6, by delivery by the Compulsory Sellers of a duly executed share transfer form (accompanied by the related share certificate) and payment by the purchaser or purchasers to the Compulsory Sellers of an amount in cash equal to the consideration payable for each Sale Share sold

21 8 If a Compulsory Seller, having become bound to transfer any Shares under the provisions of this article 21, shall fail to do so the directors may authorise any individual to execute on behalf of and as agent or attorney for that Shareholder any necessary instruments of transfer and shall register the purchaser as the holder of the Shares in question The Company's receipt of the purchase money shall be a good discharge to the purchaser, and the Company shall after that time hold the purchase money on trust for the Compulsory Sellers, but shall not be bound to earn or pay interest on it After the name of the purchaser has been entered in the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person

## 22 Quorum for general meetings

22 1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three persons present in person or by proxy, of whom one shall be a holder of X Shares or a duly authorised representative of such holder, one of whom shall be a holder of Y Shares or a duly authorised representative of such holder and one of whom shall be a holder of Investor Shares or a duly authorised representative of such holder ALWAYS PROVIDED that where any such meeting shall have failed to achieve its quorum by the absence of the holder of X Shares, Y Shares or Investor Shares, the quorum of the reconvening of that meeting shall not be defeated by the absence of that particular holder of X Shares, Y Shares or Investor Shares always provided that the meeting shall have been called in accordance with the provisions of the Articles

22 2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

## 23 Chairing general meetings

The chairman of the board of directors shall chair general meetings If the chairman is unable to attend any general meeting, the Shareholder who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting

## 24 Voting and dividends

24 1 At a general meeting

24 1 1 on a show of hands every holder of X Shares, holder of Y Shares, holder of C Shares or holder of D Shares who is present in person or by proxy shall have one vote, unless the proxy is himself a Shareholder entitled to vote,

24 1 2 on a poll every holder of X Shares, holder of Y Shares, holder of C Shares or holder of D Shares present in person or by proxy shall have one vote for each such Share of which he is the holder, and

24 1 3 on a vote on a written resolution every holder of X Shares, holder of Y Shares, holder of C Shares or holder of D Shares has one vote for each such Share of which he is the holder except that,

24 1 3 1 in the case of any resolution proposed to remove an X Director whether under section 168 of the Act or otherwise, the holder of the majority of the X Shares voting against any such

- resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat any such resolution,
- 24 1 3 2 in the case of any resolution proposed to remove a Y Director whether under section 168 of the Act or otherwise, the holder of the Y Shares voting against any such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat any such resolution, and
- 24 1 3 3 in the case of any resolution proposed to remove an Investor Director whether under section 168 of the Act or otherwise, the holder of the Investor Shares voting against any such resolution (whether on a show of hands, a poll or on a written resolution) shall be entitled to cast such number of votes as is necessary to defeat any such resolution
- 24 2 The A Shares shall not entitle the holders of them (in their capacity as holders of A Shares) to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company
- 24 3 The B Shares shall not entitle the holders of them (in their capacity as holders of B Shares) to receive dividends or receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company
- 25 **Poll votes**
- 25 1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting
- 25 2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article
- 26 **Proxies**
- 26 1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of general meeting (or adjourned meeting) to which they relate"
- 26 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid" as a new paragraph at the end of that article
- 27 **Means of communication to be used**
- 27 1 Subject to article 27 2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient
- 27 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was

guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider,

- 27 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,
- 27 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and
- 27 1 4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

- 27 2 Any notice, document or other information served on, or delivered to, an intended recipient under article 17, article 18, article 19, article 20 or article 21 (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website

- 27 3 In proving that any notice, document or information was properly addressed, it shall be sufficient to show that the notice, document or information was addressed to an address permitted for the purpose by the Act

## **28 Indemnity and insurance**

- 28 1 Subject to article 28 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

28 1 1 each relevant officer of the Company shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's affairs, and

28 1 2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 28 1 1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure

- 28 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

- 28 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss

- 28 4 In this article

28 4 1 a "relevant officer" means any director or other officer of the Company but excluding in each case any person engaged by the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor, and

28 4 2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company or any pension fund of the Company