

Company Number: 06843105

**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS**  
**of**  
**BOTICCA.COM LIMITED (the "Company")**

On 3 September 2013 the following written resolutions were passed, in the case of Resolutions 1 and 2 as ordinary resolutions, and in the case of Resolution 3 as a special resolution


**ORDINARY RESOLUTIONS**

- 1 THAT, each of the 125,004 issued A1 ordinary shares of £0 01 each in the capital of the Company be and is hereby redesignated as an A2 ordinary share of £0 01 in the capital of the Company (the "**A2 Shares**") having the rights and being subject to the restrictions set out in the articles of association adopted pursuant to resolution 3
- 2 THAT, in accordance with section 551 of the Act, the directors be unconditionally authorised to allot 62,500 A2 Shares up to an aggregate nominal amount of £625, each having the respective rights and subject to the respective restrictions set out in the articles adopted pursuant to resolution 3 Unless renewed, varied or revoked by the Company, this authority shall expire on 1 August 2018 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the Act

**SPECIAL RESOLUTION**

- 3 THAT, the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association

  
**Kiyan Foroughi**, a director  
For and on behalf of Boticca com Limited

Date 3 September 2013

~~**Avid Larizadeh**, a director~~  
~~For and on behalf of Boticca com Limited~~

Date \_\_\_\_\_ 2013



RM 08/11/2013 #92  
COMPANIES HOUSE

**THE COMPANIES ACT 2006**  
**COMPANY LIMITED BY SHARES**  
**NEW**  
**ARTICLES OF ASSOCIATION**  
**of**

**BOTICCA.COM LIMITED**

(Adopted by a special resolution passed on 03/09/2013)

 **MARRIOTT  
HARRISON LLP**  
WWW.MARRIOTTHARRISON.CO.UK  
11 STAPLE INN LONDON WC1V 7QH  
T +44 (0)20 7209 2800 F +44 (0)20 7209 2001  
DX 9001 LONDON CHANCERY LANE

KP AL

## Index

Clause No.		Page No.
1	INTRODUCTION ....	2
2	DEFINITIONS ..	2
3	SHARE CAPITAL ..	11
4	DIVIDENDS	12
5	LIQUIDATION PREFERENCE	13
6	EXIT PROVISIONS	14
7	VOTES IN GENERAL MEETING	15
8	[DELETED]	16
9	CONVERSION OF A SHARES	16
10	[DELETED]	17
11	[DELETED]	17
12	VARIATION OF RIGHTS	17
13	ALLOTMENT OF NEW SHARES OR OTHER SECURITIES PRE-EMPTION	17
14	TRANSFERS OF SHARES – GENERAL	19
15	PERMITTED TRANSFERS	21
16	TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS	23
17	VALUATION OF SHARES	27
18	COMPULSORY TRANSFERS – GENERAL .....	29
19	COMPULSORY TRANSFER – FOUNDERS	29
20	MANDATORY OFFER ON A CHANGE OF CONTROL	31
21	[DELETED]	32
22	DRAG-ALONG	32
23	GENERAL MEETINGS	34
24	PROXIES . . . .	35
25	DIRECTORS' BORROWING POWERS	35
26	[DELETED]	36
27	NUMBER OF DIRECTORS	36
28	APPOINTMENT OF DIRECTORS	36
29	DISQUALIFICATION OF DIRECTORS	37
30	PROCEEDINGS OF DIRECTORS	37
31	DIRECTORS' INTERESTS . .	38
32	NOTICES	42
33	INDEMNITIES AND INSURANCE	45
34	[DELETED]	46
35	SECRETARY ..	46
36	LIEN	46
37	CALL NOTICES	48
38	FORFEITURE OF SHARES .	50
39	SURRENDER OF SHARES	52

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**BOTICCA.COM LIMITED**

(Adopted by a special resolution passed on 03/09/2013)

**1. INTRODUCTION**

- 1 1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 In these Articles and the Model 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
- 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) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17, 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company

**2. DEFINITIONS**

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

**"A Preference Amount"** means the amount subscribed or deemed to have been subscribed (including premium) for an A Share together with a sum equal to any Arrears,

**"A1 Shares"** means the A1 ordinary shares of £0.01 each in the capital of the Company,

**"A1 Shareholders"** means the holders of the A1 Shares,

**"A2 Preference Amount"** means the amount subscribed or deemed to have been subscribed (including premium) for an A2 Share together with a sum equal to any Arrears,

**"A Shareholders"** means the holders of the A Shares,

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

**"A2 Shareholders"** means the holders of the A2 Shares,

**"A2 Shares"** means the A2 ordinary shares of £0.01 each in the capital of the Company,

**"Accepting Shareholder"** has the meaning given in Article 20.5,

**"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 2006 (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),

**"Allocation Notice"** has the meaning set out in Article 16.9(b),

**"Angels"** means John Ayton, Annoushka Ducas, ONO International Limited, Babak Yazdani, Mohsen Moazami, Hamid Barkhordar and DG Incubation, Inc,

**"Applicant"** has the meaning set out in Article 16.9(b),

**"Arrears"** means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, whether or not earned or declared 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 by the Company of all or substantially all of its undertaking and assets;

**"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 Member of the same Fund Group;

**"Auditors"** means the auditors of the Company from time to time,

**"Available Profits"** means profits available for distribution within the meaning of part 23 of the Act,

**"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 A Shareholders or A2 Shareholders) or any consolidation or sub-division or redenomination or any repurchase or redemption of shares (other than A Shares and A2 Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding Shares in each case other than shares issued as a result of the events set out in Article 13 6,

**"Business Day"** means a day on which English or French clearing banks respectively are ordinarily open for the transaction of normal banking business in the City of London or Paris, France (other than a Saturday or Sunday),

**"call"** has the meaning set out in Article 37 1,

**"Call Notice"** has the meaning set out in Article 37 1,

**"Call Payment Date"** has the meaning set out in Article 37 10(a),

**"Called Shareholders"** has the meaning set out in Article 22.1,

**"Called Shares"** has the meaning set out in Article 22 2,

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

**"Company"** means Boticca com Limited (company number 06843105),

**"Company's Lien"** has the meaning given in Article 36 1,

**"Conditions"** has the meaning set out in Article 9.1,

**"Controlling Interest"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010,

**"Conversion Date"** has the meaning given in Article 9 1,

**"CTA 2010"** means the Corporation Tax Act 2010,

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

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

**"Drag Along Notice"** has the meaning set out in Article 22 2,

**"Drag Along Option"** has the meaning set out in Article 22 1,

**"Effective Termination Date"** means the date on which a Founder's employment terminates in the circumstances described in Article 19 1,

**"electronic address"** has the same meaning as in section 333 of the Act,

**"electronic form"** and **"electronic means"** have the same meaning as in section 1168 of the Act,

**"Eligible Director"** means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors,

**"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 a Fund Majority,

**"Employee Trust"** means a trust, the terms of which are approved by the Fund Majority 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 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),

**"Excess Securities"** has the meaning set out in Article 13.3(b);

**"Exit"** means a Share Sale or an Asset Sale,

**"Expert Valuer"** is as determined in accordance with Article 17.2,

**"Fair Value"** is as determined in accordance with Article 17.3,

**"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 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 Conduct 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,

**"Founders"** means Klyan Foroughi and Avid Larizadeh,

**"Founder's Shares"** in relation to a Founder means all Ordinary Shares or A Shares in the Company held by:

- (a) the Founder in question; and
- (b) by any Permitted Transferee of that Founder other than those Ordinary Shares or A Shares held by those persons that a Fund Majority declares itself satisfied were not acquired directly or indirectly from the Founder or by reason of his relationship with the Founder,

**"Fund Directors"** means such Directors nominated by the Fund Shareholders under Articles 28.1(b) and 28.1(c) respectively;

**"Fund Majority"** means one of the ISAI Shareholders or the MMC Funds;

**"Fund Majority Consent"** means the prior written consent of the Fund Majority;

**"Fund Manager"** means a person whose principal business is to make, manage or advise upon investments in securities and who may advise or manage a Fund Shareholder from time to time,



**"Fund Shareholders"** means, at the date of these Articles, the ISAI Shareholders and the MMC Funds,

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

**"hard copy form"** has the same meaning as in section 1168 of the Act,

**"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 the transfer of the issued share capital of the Company to such holding company,

**"Interested Director"** has the meaning set out in Article 31 5,

**"Investment Agreement"** means the investment agreement dated on or around the Date of Adoption between, amongst others, the Company, the Founders and the Fund Shareholders,

**"Investors"** means John Ayton, Annoushka Ducas, the Fund Shareholders and all A Shareholders and A2 Shareholders other than the Founders,

**"IPO"** means the admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, 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 admitted to or traded or quoted on Nasdaq, the Official List of the United Kingdom Listing Authority, the AIM Market operated by the London Stock Exchange Plc, any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000), NYSE Euronext, NYSE Alternext, the New York Stock Exchange or any investment exchange or market with the approval of the Fund Majority,

**"ISAI Shareholders"** means, for so long as they are Shareholders, FCPI Capital Invest PME 2009, FCPI Crédit Agricole PME Innovation 2009 and FCPR ISAI Développement,

**"ITEPA"** means Income Tax (Earnings and Pensions) Act 2003,

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

**"Leaver"** is as determined in accordance with Article 19 1,

**"Leaver's Percentage"** has the meaning given in Article 19 2,

**"Lien Enforcement Notice"** has the meaning given in Article 36 3,

**"Mainspring"** means Mainspring Nominees (2) Limited (company number 08409560) whose registered office is at Second Floor, Berkeley Square House, London W1J 6BD;

**"a Member of the same Fund Group"** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that person:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (b) any Investment Fund managed by that Fund Manager,
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager, or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa,

**"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,

**"Minimum Transfer Condition"** has the meaning set out in Article 16 2(d),

**"MMC Funds"** means each of (i) MMC London acting by its manager MMC Ventures or such other manager as it may appoint from time to time and (ii) Mainspring,

**"MMC Group"** means each MMC Fund and any entity managed by MMC Ventures from time to time which is a Shareholder and/or their Permitted Transferees,

**"MMC London"** means MMC London Fund LP (company number LP015196) whose registered office is at 3rd Floor, 2 Kensington Square, London W8 5EP;

**"MMC Ventures"** means MMC Ventures Limited (company registered number 03946009) whose registered office is at 3rd Floor, 2 Kensington Square, London W8 5EP,

**"Nasdaq"** means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc ;

**"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 (other than shares or securities issued as a result of the events set out in Article 13 6);

**"New Shareholder"** has the meaning set out in Article 22 10;

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

**"Offer"** has the meaning set out in Article 20 2,

**"Offer Period"** has the meaning set out in Article 20 3,

**"Ordinary Shareholders"** means the holders of the Ordinary Shares,

**"Ordinary Shares"** means the ordinary shares of £0 01 each in the capital of the Company,

**"Original Shareholder"** has the meaning set out in Article 15 1;

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 15,

**"Permitted Transferee"** means

- (a) in relation to a Shareholder who is a Founder, to another Founder, or Trustees or Qualifying Company,
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group,
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group,
- (d) in relation to John Ayton, Annoushka Ducas and ONO International Limited, any one of them to whom Shares are transferred by another of them, and
- (e) in relation to an Investor.
  - (i) to any Member of the same Group,
  - (ii) to any Member of the same Fund Group,
  - (iii) or to any nominee of an Investor,
  - (iv) to any Founder, or
  - (v) where the Investor is an individual, to a Qualifying Company;

**"Primary Holder"** has the meaning set out in Article 32 8,

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 16 6 or Article 19.3 (as the case may be),

**"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 and is not connected (within the meaning of Section 1122 of Corporation Taxes Act 2010) to any existing shareholder;

**"Proposed Sale Date"** has the meaning given in Article 20 3,

**"Proposed Sale Notice"** has the meaning given in Article 20 3,

**"Proposed Sale Shares"** has the meaning given in Article 20.3,

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

**"Proposed Transfer"** has the meaning given in Article 20 1;

**"Qualifying Company"** means a company in which a Founder, an Investor or Trustees hold not less than 80% of the share capital and which that Founder or Investor controls or the Trustees control, as the case may be,

**"Qualifying IPO"** means the legal completion of an IPO in which the net aggregate subscription amount in respect 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 £10,000,000 at an issue price per Ordinary Share of at least £32 00, as adjusted from time to time for any share capital capitalisation or sub-division or equivalent change,

**"Qualifying Person"** has the meaning given in section 318(3) of the Act,

**"Realisation Price"** means the value of each Ordinary Share in issue immediately prior to an IPO, determined by reference to the price per share at which Ordinary Shares are to be offered for sale, placed or otherwise marketed pursuant to such IPO,

**"Relevant Interest"** has the meaning set out in Article 31 5,

**"Relevant Rate"** has the meaning set out in Article 37 10(b),

**"Requisite Percentage"** has the meaning given in Article 22 1,

**"Restricted Member"** has the meaning set out in Article 19 4,

**"Restricted Shares"** has the meaning set out in Article 19 5,

**"Sale Shares"** has the meaning set out in Article 16 2(a),

**"Seller"** has the meaning set out in Article 16 2,

**"Sellers' Shares"** has the meaning set out in Article 22 1,

**"Selling Shareholders"** has the meaning set out in Article 22 1,

**"Shareholders"** means any holders of any Shares and **"Shareholder"** shall be interpreted accordingly,

**"Shares"** means the Ordinary Shares, the A Shares and the A2 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) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him 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,

**"Specified Price"** has the meaning set out in Article 20 7(b),

**"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the respective meanings set out in sections 1159 and 1162 of the Act,

**"Supplemental Consideration"** has the meaning set out in Article 20 7,

**"Surplus Assets"** has the meaning set out in Article 5 1,

**"Transfer Notice"** shall have the meaning given in Article 16 2,

**"Transfer Price"** shall have the meaning given in Article 16 2(c), and

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

### **3. SHARE CAPITAL**

3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted 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

3.2 Pursuant to a resolution of the Shareholders and consent of the A1 Shareholders pursuant to article 12 1 of the articles of association of the Company in force immediately prior to the Date of Adoption, all of the A1 Shares allotted and/or issued to the A1 Shareholders at the Date of Adoption were converted into A2 Shares

- 3 3 Except as otherwise provided in these Articles, the Ordinary Shares, the A Shares and the A2 Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 3 4 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale
- 3 5 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others
- 3 6 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 3 7 Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid, and" with the words "the amount paid up on them; and"
- 3 8 In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

#### **4. DIVIDENDS**

- 4 1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4
- 4 2 Every dividend shall be distributed to the appropriate Shareholders *pro rata* according to the numbers of Shares held by them respectively and shall accrue on a daily basis assuming a 365 day year. All dividends are expressed net and shall be paid in cash
- 4.3 Article 31(1) of the Model Articles shall be amended by.
- (a) the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing", and

- (b) the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing"
- 4 4 On an IPO, if the Company has insufficient Available Profits for distribution, the Company shall, by way of special dividend and in lieu of the accrued dividends the Company is prohibited from paying, allot to each Shareholder by way of capitalisation of reserves such number of Ordinary Shares (disregarding any fraction of a share) as shall have an aggregate Realisation Price equal to the unpaid dividend
- 4 5 The Company will not distribute any Available Profits in respect of any Financial Year except with the consent of the Board Any further Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed among the Shareholders (pari passu as if the Shares constituted one class of share) pro rata to their respective holdings of Shares
- 4 6 [Deleted]
- 4 7 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period
- 4 8 A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum
- 4 9 If
  - (a) a Share is subject to the Company's Lien, and
  - (b) the Directors are entitled to issue a Lien Enforcement Notice in respect of it,

they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of such Share any sum of money which is payable to the Company in respect of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice Money so deducted shall be used to pay any of the sums payable in respect of that Share The Company shall notify the distribution recipient in writing of

  - (i) the fact and sum of any such deduction,
  - (ii) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction, and
  - (iii) how the money deducted has been applied

## **5. LIQUIDATION PREFERENCE**

- 5 1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the

Company remaining after payment of its liabilities (the "**Surplus Assets**") shall be distributed as follows:

- (a) first the Surplus Assets shall be distributed amongst the A2 Shareholders, the A Shareholders and the Ordinary Shareholders in the ratio of 99 (A2 Shareholders) 1 (A Shareholders and Ordinary Shareholders) (and in each case, the individual A2 Shareholders, A Shareholders and Ordinary Shareholders respectively shall be entitled to receive such part of such aggregate amounts as is pro rata to the amount subscribed for the A2 Shares, A Shares and Ordinary Shares they respectively hold) until the A2 Shareholders shall each have received under this Article 5.1(a) an amount per A2 Share held equal to the A2 Preference Amount for that A2 Share,
- (b) second any Surplus Assets remaining shall be distributed amongst the A Shareholders, the A2 Shareholders and the Ordinary Shareholders in the ratio of 99 (A Shareholders) 1 (A2 Shareholders and Ordinary Shareholders) (and in each case, the individual A Shareholders, A2 Shareholders and Ordinary Shareholders respectively shall be entitled to receive such part of such aggregate amounts as is pro rata to the amount subscribed for the A Shares, A2 Shares and Ordinary Shares they respectively hold) until the A Shareholders shall each have received under this Article 5.1(b) an amount per A Share held equal to the A Preference Amount for that A Share; and
- (c) third, any balance shall be distributed amongst the Ordinary Shareholders, the A Shareholders and the A2 Shareholders in the ratio of 99 (Ordinary Shareholders) 1 (A Shareholders and A2 Shareholders) (and in each case individual Ordinary Shareholders, A Shareholders and A2 Shareholders respectively shall be entitled to receive such part of such aggregate amounts as is pro rata to the number of Ordinary Shares, A Shares and A2 Shares they respectively hold)

## **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 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 (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 A Shareholder and A2 Shareholder such number of Ordinary Shares (disregarding any fraction of a share) as shall have an aggregate Realisation Price equal to the Issue Price of the A Shares or A2 Shares held by him;
- (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 A Shareholders and A2 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),
- (c) the Company shall issue at par to each A Shareholder and A2 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 A Shares or A2 Shares held by him

**7. VOTES IN GENERAL MEETING**

- 7.1 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 and to receive and vote on proposed written resolutions of the Company
- 7.2 The A Shares shall confer on each A Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.3 The A2 Shares shall confer on each A2 Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions 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.

**8. [DELETED]**

**9. CONVERSION OF A SHARES AND A2 SHARES**

- 9 1 Any A Shareholder or A2 Shareholder shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the A Shares or A2 Shares held by him at any time in respect of the A Shares, and, in respect of the A2 Shares, such conversion to take effect immediately prior to an Asset Sale, a Share Sale, a Non-Qualifying IPO or a liquidation of the Company, as specified in such notice and those A Shares or A2 Shares (as applicable) shall convert automatically on the date of such notice in respect of the A Shares or on the occurrence of the event specified in such notice in respect of the A2 Shares (the "**Conversion Date**"). The holder may in such notice, state that conversion of his A Shares or A2 Shares (as applicable) into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").
- 9 2 All of the A Shares or A2 Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of a Qualifying IPO
- 9 3 [Deleted]
- 9 4 In the case of (i) Articles 9 1, at least five Business Days after the Conversion Date, or (ii) in the case of Article 9 2, at least five Business Days prior to the occurrence of the Qualifying IPO, each holder of the relevant A Shares or A2 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 5 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, 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 6 On the Conversion Date, the relevant A Shares or A2 Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each A Share or A2 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 7 The Company shall on the Conversion Date enter the holder of the converted A Shares or A2 Shares (as applicable) on the register of members 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 A Shares or A2 Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of A Shares or A2 Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

9 8 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 A Shares or A2 Shares falling to be converted a dividend equal to all Arrears and accruals of dividends in relation to those A Shares or A2 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 shall continue to be at debt due from and immediately payable by the Company

**10. [DELETED]**

**11. [DELETED]**

**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 the holders of more than 75 per cent in nominal value of the issued shares of that class

12 2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares

12 3 No voting rights attached to a share which is nil paid may be exercised

(a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it, or

(b) on any proposed written resolution,

unless all or some of the amounts payable to the Company in respect of that share have been paid

**13. ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION**

13 1 [Deleted]

13 2 In accordance with sections 567(1) and/or 570 of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company

13 3 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, in both cases with the prior written approval of MMC Ventures, 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 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, and

any member of the MMC Group and any other entity managed by MMC Ventures from time to time shall be entitled to subscribe for any or all of the New Securities offered to any member of the MMC Group

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) and after that allotment, any Excess Securities remaining shall be offered 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 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, provided that the allotment or grant to that person must be approved in writing by a Fund Majority.

13 6 The provisions of Articles 13.3 to 13 5 shall not apply to

- (a) options to subscribe for Ordinary Shares under the Employee Share Option Plans;
- (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles and issued in accordance with Articles 4.4 and 6.3,
- (c) New Securities issued in consideration of the acquisition by the Company of any company or business,
- (d) New Securities which both the ISAI Shareholders and MMC Ventures have agreed in writing should be issued without complying with the procedure set out in this Article 13 provided that no existing Shareholder may be offered New Securities pursuant to this Article 13 6(d), and

- (e) New Securities issued as a result of a bonus issue of shares to all Shareholders pro rata to their holding of Shares
- 13 7 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company unless such person has entered into a joint section 431 ITEPA election with the Company.

#### **14. TRANSFERS OF SHARES – GENERAL**

- 14 1 In Articles 14 to 22 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
- 14 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 14 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 14 4 Any transfer of a Share by way of sale which is required to be made under Articles 16 to 22 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 14 5 Unless express provision is made in these Articles to the contrary, no Ordinary Shares, A Shares or A2 Shares shall be transferred without the consent of the Board
- 14 6 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 prospective director of the Company and such person has not entered in a joint section 431 ITEPA election with the Company,
  - (c) it is a transfer of a Share which is not fully paid
    - (i) to a person of whom the Directors do not approve, or
    - (ii) on which Share the Company has a lien,
  - (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint,
  - (e) the transfer is not accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may

reasonably require to show the right of the transferor to make the transfer,

- (f) the transfer is in respect of more than one class of Shares, or
- (g) the transfer is in favour of more than four transferees.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

14 7 The Directors may, as a condition to the registration of any transfer of Shares (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 the Investment Agreement or any other 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 14 7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee

14 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 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 Fund 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 following shall occur:

- (a) 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 or on a written resolution of the Company or at any separate meeting or written resolution 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, and

- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

14 9 The rights referred to in (a) above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in (b) above

14 10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 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 Act) not voting) and the Seller, or, failing agreement within five 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 16 2(d)), and

- (c) the Seller wishes to transfer all of the Shares held by it

14 11 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of

- (a) the transferor, and

- (b) (if any of the shares is partly or nil paid) the transferee

## **15. PERMITTED TRANSFERS**

15 1 Subject to Article 14 5, a Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise

15 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 15 2 may be transferred by the transferee to any other Permitted

Transferee of the Original Shareholder without restriction as to price or otherwise

- 15.3 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 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
- 15.4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five 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 Fund 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 give a Transfer Notice in respect of such Shares
- 15.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise
- 15.6 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
- 15.7 If a company to which a Share has been transferred (whether as a Permitted Transfer or under Article 15.6), ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Founder, Investor or the Trustees who transferred the Share to it, or a Permitted Transferee of such person or, to a Qualifying Company (any may do so without restriction as to price or otherwise) and in each case failing which it will be deemed to have given a Transfer Notice in respect of such Shares
- 15.8 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 must, within 15 Business Days of so ceasing either



(a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or

(b) give a Transfer Notice to the Company in accordance with Article 16 2,

falling which he shall be deemed to have given a Transfer Notice

15 9 On the death (subject to Article 15 2), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five 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 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice

15 10 A transfer of any Shares approved by the Fund Majority may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors

15 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

## **16. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

16 1 Save where the provisions of Articles 15, 20, 21 and 22 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 16

16 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 wishes to transfer (the "**Sale Shares**"),

(b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,

(c) the price (in cash) at which he 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 Fund 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**")

16.3 Except with the written consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

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

16.5 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 17,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 16.6 to 16.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

#### 16.6 Priority for offer of Sale Shares

The Company shall offer the Sale Shares to the Fund Shareholders and the Founders pro rata to their holdings of Shares on the basis set out in Article 16.7

#### 16.7 Transfers: First Offer

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 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 16.7 and 16.8 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 existing holding 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 has stated he is willing to buy

- (d) If not all Sale Shares are allocated in accordance with Article 16.7(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 16.7(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 16.8

#### 16.8 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 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 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 has stated he 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 Article 16.9(e)

#### 16.9 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 16.7 and 16.8 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 16.7 and 16.8, give written notice of allocation (an "**Allocation Notice**") to the Seller and each 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 10 Business Days nor more than 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 16.9(c)

(i) the chairman of the Company or, failing him, 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 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 has delivered to the Company his 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 16.9(f), the Seller may, within eight 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 16.9(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 Fund 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 and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above

#### 16 10 Waiver of restrictions

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with 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.

### 17. VALUATION OF SHARES

17 1 If a Transfer Notice does not specify a Transfer Price or, subject to Article 14 9, 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 17 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 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

17 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 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

17 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
- 17.4 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
- 17.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 17.6 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)
- 17.7 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.
- 17.8 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 Sale 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 Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 17.9 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

## **18. COMPULSORY TRANSFERS – GENERAL**

- 18 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
- 18 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his 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 18 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

- 18 3 If a Shareholder which is a company, 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 (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine
- 18 4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) 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 Article 18 4 shall not apply to a member that is an Investor

## **19. COMPULSORY TRANSFER – FOUNDERS**

- 19 1 If at any time prior to 28 April 2016 a Founder ceases to be an Employee by reason of that Founder (a) having resigned, other than in circumstances which amount to constructive dismissal, or (b) having been dismissed for gross misconduct or wilful default of his or her duties as an Employee, that Founder shall be deemed to be a "**Leaver**" for the purposes of these Articles A Leaver shall be deemed to have given a Transfer Notice in respect of the Leaver's Percentage of Founder's Shares relating to such Leaver on the Effective Termination Date In such circumstances the Transfer Price shall be as follows:

- (a) where the relevant Founder became a Leaver by virtue of his resignation (other than in circumstances which amount to constructive dismissal) 66% of the Fair Value as at the Effective Termination Date,
- (b) where the relevant Founder became a Leaver by reason of having been dismissed for gross misconduct or wilful default of his or her duties as an Employee 33% of the Fair Value as at the Effective Termination Date

19.2 The Leaver's Percentage shall be calculated as follows.

- (a) where the relevant Founder became a Leaver (as a result of having been dismissed for gross misconduct or wilful default of his or her duties as an Employee) at any time before 28 April 2016, 100%;
- (b) where the relevant Founder became a Leaver (as a result of having resigned other than in circumstances which amount to constructive dismissal) on or after 28 May 2013 but before 28 April 2016, such percentage as is calculated as follows

$$75 - (2.0833 \times NM)$$

where NM = number of full months (each starting on the 28th day of one calendar month and finishing on the 27th day of the following calendar month) from 28 April 2013 to the Effective Termination Date, such that the Leaver's Percentage shall be zero on 28 April 2016

19.3 For the purposes of this Article, the Priority Rights shall be such that the Founder's Shares are offered in the following order of priority

- (a) to the Investors (pro rata to their holdings of Shares),
- (b) to the remaining Founder,
- (c) to any new Employees nominated by the Fund Majority,
- (d) to any existing Employees (other than the Leaver);
- (e) to other participants or potential participants in, or trustees of the Employee Share Option Plan (other than the departing Founder), and/or
- (f) to any other person or persons approved by the Fund Directors and by the Board (other than the departing Founder), and/or
- (g) to the Company (subject always to the provisions of the Act)

19.4 All voting rights attached to Founder's Shares held by a Leaver (the "**Restricted Member**"), if any, shall at the time he becomes a Leaver be suspended unless the Board and the Fund Majority notify him otherwise.



- 19 5 Any Founder's Shares whose voting rights are suspended pursuant to Article 19 4 ("**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 or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 19 4 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 members) automatically be restored.

## **20. MANDATORY OFFER ON A CHANGE OF CONTROL**

- 20 1 Except in the case of Permitted Transfers and transfers pursuant to Articles 18 and 19, after going through the pre-emption procedure in Article 16, the provisions of Article 20 2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 20 2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Company's Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 20 7).
- 20 3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 20 4 If any other holder of Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 20 5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 20 6 The Proposed Transfer is subject to the pre-emption provisions of Article 16 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 16.
- 20 7 For the purpose of this Article
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;

- (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:

- (i) in the Proposed Transfer, or
- (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 20.7(c), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, 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 the Shares, provided however that in the case of the A Shares and the A2 Shares the "**Specified Price**" shall not be less per share than the Preference Amount (the "**Supplemental Consideration**"),

- (c) Relevant Sum = C – A

where: A = number of Shares being sold in connection with the relevant Proposed Transfer,

C = the Supplemental Consideration

## 21. [DELETED]

## 22. DRAG-ALONG

- 22.1 Subject always to the provisions of Article 22.11, if the holders of the Requisite Percentage of the Shares (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, 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. For the purposes of this Article, the "**Requisite Percentage**" means, for the period up to and including 31 December 2016: 75% and thereafter: 55%

- 22.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy 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.

- 22.3 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 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.
- 22.4 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.
- 22.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 22.6 Within five 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 Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 22.4 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 22.4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 22.4 in trust for the Called Shareholders without any obligation to pay interest.
- 22.7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 22.4, 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 22 in respect of their Shares.
- 22.8 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 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 Business Day period, put the Company in funds to pay the amounts due pursuant to Article 22.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 22.4.
- 22.9 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 16.

22 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.

22 11 The Fund Shareholders shall not be required to sell their Shares pursuant to this Article where the price per Share is less than £32.00 or the consideration for the acquisition of their A Shares or A2 Shares (as applicable) is the issue of shares ("**Consideration Shares**") which are not registered on a recognised stock exchange, or which are so registered but where in the opinion of the Fund Shareholders that recognised stock exchange does not give sufficient liquidity in the Consideration Shares

### **23. GENERAL MEETINGS**

23 1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act

23 2 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman

23 3 If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made

23 4 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded

23.5 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken

- 23 6 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day

## **24. PROXIES**

- 24 1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"

- 24 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may

- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied 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 company 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 company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company 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

## **25. DIRECTORS' BORROWING POWERS**

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

**26. [DELETED]**

**27. NUMBER OF DIRECTORS**

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than two and shall not exceed five.

**28. APPOINTMENT OF DIRECTORS**

28 1 The following provisions shall apply in relation to the appointment of Directors of the Company.

- (a) for so long as they are Employees, the Founders shall each be entitled to be a Director of the Company,
- (b) the ISAI Shareholders shall be entitled to nominate one person to be a Director of the Company, save that if the nominated person is not an employee of any of the ISAI Shareholders, the appointment of that person shall be subject to consultation between the ISAI Shareholders and the Founders, and the Founders shall be entitled to interview the person nominated by the ISAI Shareholders before he is appointed as a director,
- (c) the MMC Funds shall be entitled to nominate one person to be a Director of the Company, save that if the nominated person is not an employee of MMC Ventures, the appointment of that person shall be subject to consultation between the MMC Funds and the Founders, and the Founders shall be entitled to interview the person nominated by the MMC Funds before he is appointed as a director, and
- (d) the Founders and the Fund Shareholders shall be entitled to appoint an independent non-executive chairman to the Board, such appointment being subject to the prior approval of the Board and the Fund Shareholders

28 2 Any nominations made in accordance with this Article shall be made 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. Each person who is entitled to nominate a Director in accordance with this Article 28 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 place

28 3 The Fund Shareholders and the Founders acknowledge and agree that any person nominated under Articles 28.1(b) and/or 28 1(c) shall not be appointed as a director if the Founders reasonably object to the appointment save that if the Founders have reasonably objected to two consecutive nominations by the respective Fund Shareholder, the Fund Shareholder shall, notwithstanding such objection, be entitled to appoint the third nominated person as a director notwithstanding any reasonable objections by the Founders to that nominated person

- 28 4 An appointment or removal of a Director under Articles 28 1 and 28 2 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
- 28 5 The Fund Directors shall be entitled at their request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking
- 28 6 The Fund Shareholders shall each be entitled to appoint one person to act as an observer to the Board. In addition, for so long as they are Employees and hold in aggregate more than 20% of the Shares, the Founders (or if one of the Founders ceases to be an Employee, the remaining Founder) shall be entitled to appoint one person from amongst the Angels to act as an observer to the Board. An observer shall be entitled to attend and speak at all meetings of the Board and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting

## **29. DISQUALIFICATION OF DIRECTORS**

In addition to that provided in article 18 of the Model Articles, the office of a Director shall also be vacated if

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

## **30. PROCEEDINGS OF DIRECTORS**

- 30 1 The quorum for Directors' meetings shall be three Directors who must include the Fund Directors and a Founder (save that where a Relevant Interest of a Fund Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Fund Director and any other interested Director shall not be included for the purpose of such authorisation but shall be included for the purpose of forming the quorum). 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. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed
- 30 2 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 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
- 30 3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participants 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

- 30.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 30.5 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest, a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 30.6 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.
- 30.7 A decision of the Directors 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 (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.
- 30.8 There shall be at least eight Board meetings in each calendar year including four physical Board meetings to be held quarterly, alternately in London and Paris (with the first meeting to be held in London), and the remaining Board meetings shall be held by conference telephone or video conference.

### **31. DIRECTORS' INTERESTS**

#### *Specific interests of a Director*

- 31.1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind
- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
  - (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested,



- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- (h) any other interest authorised by ordinary resolution

*Interests of a Fund Director*

- 31 2 In addition to the provisions of Article 31 1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is a Fund Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in

- (a) a Fund Manager,
- (b) any of the funds advised or managed by a Fund Manager from time to time, or
- (c) another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies

*Interests of which a Director is not aware*

- 31 3 For the purposes of this Article 31, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

*Accountability of any benefit and validity of a contract*

- 31 4 In any situation permitted by this Article 31 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

*Terms and conditions of Board authorisation*

- 31 5 Subject to Article 31.6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation.
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
  - (iii) restricting the application of the provisions in Articles 32 7 and 32 8, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time; and

subject to Article 31.6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 31

*Terms and conditions of Board authorisation for a Fund Director*

- 31 6 Notwithstanding the other provisions of this Article 31, it shall not (save with the consent in writing of a Fund Director) be made a condition of any authorisation of a matter in relation to that Fund Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that

he shall be required to disclose, use or apply confidential information as contemplated in Article 31 8

*Director's duty of confidentiality to a person other than the Company*

31 7 Subject to Article 31 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 31), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
- (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director

31 8 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 31 7 shall apply only if the conflict arises out of a matter which falls within Article 31 1 or Article 31 2 or has been authorised under section 175(5)(a) of the Act

*Additional steps to be taken by a Director to manage a conflict of interest*

31 9 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation

- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
- (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information

*Requirement of a Director to declare an interest*

31 10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 31 1 or Article 31 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as

the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest

- (a) falling under Article 31.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles

#### *Shareholder approval*

31 11 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 31

31 12 For the purposes of this Article 31

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,
- (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director,
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

## **32. NOTICES**

32.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied

- (a) in hard copy form,
- (b) in electronic form, or
- (c) (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means provided that any notice to the MMC Funds or MMC Ventures must be in hard copy form or in electronic form only

Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 33

*Notices in hard copy form*

32 2 Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas)

- (a) to the Company or any other company at its registered office, or
- (b) to the address notified to or by the Company for that purpose, or
- (c) in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members, or
- (d) in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors, or
- (e) to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied, or
- (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company

32 3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) if delivered, at the time of delivery,
- (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first

*Notices in electronic form*

32 4 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may

- (a) if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address,

- (b) if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 33.2; or
- (c) be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify
  - (i) on its website from time to time, or
  - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time

32.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective

- (a) If sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first,
- (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first,
- (c) if delivered in an electronic form, at the time of delivery, and
- (d) If sent by any other electronic means as referred to in Article 33.4(c), at the time such delivery is deemed to occur under the Act.

32.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt

*Notice by means of a website*

32.7 Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website

*General*

32.8 In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (the "**Primary Holder**"). Notice so given shall constitute notice to all the joint holders

32.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated

as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

### **33. INDEMNITIES AND INSURANCE**

33 1 Subject to the provisions of and so far as may be permitted by, the Act.

(a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, provided that no director of the Company or any associated company is indemnified by the Company against

(i) any liability incurred by the director to the Company or any associated company, or

(ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature, or

(iii) any liability incurred by the director

(A) in defending any criminal proceedings in which he is convicted,

(B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him, or

(C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 33 1(a)(i), 33 1(a)(iii)(B) and 33 1(a)(iii)(C) applying,

(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 in respect of any negligence, default, breach of duty or breach of trust of

which he may be guilty in relation to the Company, or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme

- 33 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 office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

**34. [DELETED]**

**35. SECRETARY**

Subject to the provisions of the 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

**36. LIEN**

- 36 1 The Company shall have a first and paramount lien (the "**Company's Lien**") over every Share not fully paid for all and 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

- 36 2 The Company's Lien over a Share

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

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

- 36 3 Subject to the provisions of this Article 36, if

- (a) a notice complying with Article 36 4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide



36 4 A Lien Enforcement Notice

- (a) may only be given by the Company in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (b) must specify the Share concerned,
- (c) must require payment of the sum payable within 14 days of the notice,
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise, and
- (e) must state the Company's intention to sell the Share if the notice is not complied with

36 5 Where any Share is sold pursuant to this Article 36

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

36 6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (a) first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice,
- (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice

36 7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date.

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and

- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.

### **37. CALL NOTICES**

37.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice

37.2 A Call Notice

- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium),
- (b) shall state when and how any call to which it relates it is to be paid, and
- (c) may permit or require the call to be paid by instalments.

37.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent

37.4 Before the Company has received any call due under a Call Notice the Directors may.

- (a) revoke it wholly or in part, or
- (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

37.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share

37.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to.

- (a) pay calls which are not the same, or
- (b) pay calls at different times

37.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium).

- (a) on allotment;
  - (b) on the occurrence of a particular event; or
  - (c) on a date fixed by or in accordance with the terms of issue
- 37 8 If the due date for payment of such a sum as referred to in Article 37.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture
- 37 9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below)
- (a) the Directors may issue a notice of intended forfeiture to that person, and
  - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the call payment date at the Relevant Rate (as defined below)
- 37 10 For the purposes of Article 37 9
- (a) the "**Call Payment Date**" shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "**Call Payment Date**" is that later date,
  - (b) the "**Relevant Rate**" shall be
    - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
    - (ii) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors, or
    - (iii) if no rate is fixed in either of these ways, five per cent a year,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a)
- 37 11 The Directors may waive any obligation to pay interest on a call wholly or in part
- 37 12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice

### **38. FORFEITURE OF SHARES**

#### **38.1 A notice of intended forfeiture**

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a Call Notice,
- (b) shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise,
- (c) shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice,
- (d) shall state how the payment is to be made, and
- (e) shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

#### **38.2 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, then the Directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other moneys payable in respect of the forfeited Shares and not paid before the forfeiture**

#### **38.3 Subject to these articles, the forfeiture of a Share extinguishes.**

- (a) all interests in that Share, and all claims and demands against the Company in respect of it, and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

#### **38.4 Any Share which is forfeited in accordance with these Articles**

- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited,
- (b) shall be deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit

#### **38.5 If a person's Shares have been forfeited then.**

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members;

- (b) that person shall cease to be a Shareholder in respect of those Shares,
  - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
  - (d) that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
  - (e) the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal
- 38 6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit
- 38 7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer
- 38 8 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share
- 38 9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share
- 38 10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which
- (a) was, or would have become, payable, and
  - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds

### **39. SURRENDER OF SHARES**

39 1 A Shareholder shall be entitled to surrender any Share

- (a) in respect of which the Directors issue a notice of intended forfeiture;
- (b) which the Directors forfeit, or
- (c) which has been forfeited

The Directors shall be entitled to accept the surrender of any such Share.

39 2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share

39 3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited