

**Written Resolution of the Shareholders**

of

**Semantrix Limited**

Company Number ~~07043823~~

**693 7730**

(the "Company")

SATURDAY



\*A41XOY0Y\*

A11

01/10/2011

210

COMPANIES HOUSE

**Pursuant to Chapter 2 of Part 13 of the Companies Act 2006**

Circulation Date

**9 Sep**

2010

We, the undersigned, being the eligible members of the Company holding at least 75% of the voting rights who, at the time, would be entitled to attend and vote on such resolutions if they were to be proposed at a general meeting of the Company and shall be as valid and effectual as if they had been passed at such a general meeting duly convened and held

**ORDINARY RESOLUTION**

- 1 That the issued share capital of the Company of one ordinary share of £1 is sub-divided into 1,000,000 ordinary shares of £0 000001 ("Ordinary Shares")
- 2 That the directors be and they are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of
  - (a) £0 48 of Series Seed Shares of £0 000001 each in the share capital of the Company, and
  - (b) £0 42 of Ordinary Shares of £0 000001 each in the share capital of the Company

provided that this authority is for a period expiring five years from the date of this resolution but the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

**SPECIAL RESOLUTIONS**

- 3 That subject to the passing of the Resolution 1 above, and in accordance with section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 2, as if section

561(1) of the 2006 Act or any pre-emptive provisions contained in the Company's articles of association did not apply to any such allotment

- 4 That the regulations in the form attached (the "**New Articles of Association**") be and they hereby are adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association

Please read the notes overleaf before signing your agreement to the resolution

## NOTES

1 If you agree with the resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods

- **By Hand** delivering the signed copy to Kirill Kholod, Orrick, Herrington & Sutcliffe (Europe) LLP, 107 Cheapside, London EC2V 6DN
- **Post** returning the signed copy by post to the Company to Kirill Kholod, Orrick, Herrington & Sutcliffe (Europe) LLP, 107 Cheapside, London EC2V 6DN
- **Fax:** faxing the signed copy to Kirill Kholod on behalf of the Company to 020 7862 4800 marked "For the attention of Kirill Kholod"
- **E-mail:** by attaching a scanned copy of the signed document to an e-mail and sending it to [kkholod@orrick.com](mailto:kkholod@orrick.com)

If you do not agree to the resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.

2 Once you have indicated your agreement to the resolutions, you may not revoke your agreement.

3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the resolutions to pass, it will lapse. If you agree to the resolutions, please ensure that your agreement reaches us before or during this date.

4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.

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

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

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**SEMANTRIC LIMITED**

(Adopted by a written resolution passed on 9 September 2010)

## CONTENTS

1	INTRODUCTION	2
2	DEFINITIONS	2
3	SHARE CAPITAL	10
4	DIVIDENDS	10
5	LIQUIDATION PREFERENCE	11
6	EXIT PROVISIONS	11
7	VOTES IN GENERAL MEETING	12
8	RESTRICTION ON FOUNDER TRANSFERS	13
9	CONVERSION OF SEED PREFERRED SHARES	13
10	DEFERRED SHARES	14
11	VARIATION OF RIGHTS	14
12	ALLOTMENT OF NEW SHARES OR OTHER SECURITIES: PRE-EMPTION	14
13	TRANSFERS OF SHARES – GENERAL	15
14	PERMITTED TRANSFERS	17
15	TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS	19
16	VALUATION OF SHARES	22
17	COMPULSORY TRANSFERS	24
18	CO-SALE RIGHT	25
19	DRAG-ALONG	26
20	ADJUSTMENT OF CONVERSION PRICE	28
21	PROXIES	28
22	LIENS	29
23	ALTERNATE DIRECTORS	29
24	NUMBER AND APPOINTMENT OF DIRECTORS	29
25	DISQUALIFICATION OF DIRECTORS	30
26	PROCEEDINGS OF DIRECTORS	30
27	DIRECTORS' INTERESTS	31
28	NOTICES	35
29	INDEMNITIES AND INSURANCE	36

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**SEMANTRIC LIMITED**

(Adopted by a written resolution passed on 9 September 2010)

**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 in respect of Model Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 which shall not apply and insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) ("**Table A**") shall not apply to the Company
- 1 3 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 4 In these Articles, article headings are used for convenience only and shall not affect the construction or interpretation of these Articles and words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa

**2. DEFINITIONS**

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

"**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),

"**Arrears**" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, 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 or assets (including, without limitation, any exclusive licence of intellectual property not entered into in the ordinary course of business and consistent with prior practice) of the Company or any subsidiary of the Company,

**"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 or, if the Company has lawfully not appointed auditors, its accountants for the time being,

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

**"Bad Leaver"** means a Founder who ceases to be an Employee at any time, during the Relevant Period, by reason of

- (a) resignation save in circumstances amounting to constructive dismissal, or
- (b) dismissal by the Company (or a member of the Group) on grounds of fraud, gross misconduct or a material breach of his service agreement, including any restrictive covenants,

**"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 Seed Preferred Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares (other than Seed Preferred Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company,

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

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

**"Company"** means Semantrix Limited, company number 06937730,

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

**"Conversion Date"** has the meaning given in Article 9 2,

**"Conversion Price"** means £0.1612, as adjusted in accordance with Article 20,

**"Conversion Ratio"** means the Starting Price divided by the Conversion Price,

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

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

**"Deferred Shares"** means deferred shares of £0.000001 each in the capital of the Company,

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

**"Dragging Shareholders"** has the meaning set out in Article 19.1 of these Articles,

**"Effective Termination Date"** the date on which the Founder's employment or consultancy terminates,

**"electronic address"** has the meaning as set out in Section 333(4) 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, or who is an officer of or who provides consultancy services to, the Company or any member of the Group,

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

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

**"Employee Trust"** means a trust, the terms of which are approved by a Seed Preferred Majority, whose beneficiaries are limited to persons of the kind described in section 1166 of the Act, or any of them,

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

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



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

**"Expert Valuer"** is as determined in accordance with Article 16 2,

**"Fair Value"** is as determined in accordance with Article 16 3,

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

**"Founder"** means James Dobree,

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

**"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 set out in Section 1168(2) 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 such transfer,

**"ICTA"** means the Income and Corporation Taxes Act 1988,

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

**"Investor Fund Manager"** means a Fund Manager which advises or manages an Investor,

**"Investors"** means purchasers of Seed Preferred Shares pursuant to the terms of the Subscription Agreement,

**"IPO"** means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on the Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised

investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000),

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

**"Leaver's Percentage"** in relation to and for the purposes of determining the number of Ordinary Shares in the Company held by the Founder and/or any Relevant Member in relation to the Founder on the Date of Adoption together with any Shares issued to any such person prior to the third anniversary of the Date of Adoption that are required to either be transferred (pursuant to Article 19 5) or to be converted into Deferred Shares (pursuant to Article 8) as a result of the Founder ceasing to be an Employee by reason of being a Bad Leaver within the period commencing on the Date of Adoption and ending on the Effective Termination Date

- (i) during the period from the Date of Adoption to the first anniversary of the Date of Adoption, 100%, and
- (ii) during the period from the first anniversary of the Date of Adoption to the third anniversary of the Date of Adoption, the percentage (rounded up to two decimal places) as calculated using the formula below

$$X = 0.75 \times Y$$

where

X = the Leaver's Percentage for the purposes of this definition

and

$$Y = 100 - (12.5 \times NM)$$

where NM = the number of complete three month periods from the first anniversary of the Date of Adoption, which shall be a maximum of eight, such periods, to the Effective Termination Date such that the Leaver's Percentage shall be zero on the last day of the 36th month after the Date of Adoption, provided that if following a Share Sale the Founder (i) owns Shares and (ii) his employment is terminated within 12 months of such Share Sale (other than by reason of being a Bad Leaver), the Leaver's Percentage shall be zero,

**"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 the 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,

**"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

- (a) options to subscribe for Ordinary Shares and the issue of shares pursuant to the exercise of options granted under any Share Option Plan,
- (b) new securities issued or granted in order for the Company to comply with its obligations under these Articles,
- (c) new securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Seed Preferred Majority,
- (d) new securities issued as a result of a bonus issue of shares which has been approved in writing by the Seed Preferred Majority,
- (e) Shares or options for Shares issued or granted in accordance with the terms of the Subscription Agreement,
- (f) Ordinary Shares issued pursuant to a share split or similar reorganisation of the Company's share capital,
- (g) Ordinary Shares issued upon conversion of Seed Preferred Shares (if any), or
- (h) new securities issued pursuant to a non-equity financing transaction approved by the Board and the Seed Preferred Majority

**"Ordinary Directors"** means such directors of the Company nominated by the Ordinary Majority under Article 24 3,

**"Ordinary Majority"** means the majority of holders of Ordinary Shares,

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares,

**"Ordinary Shares"** means the ordinary shares of £0 000001 each in the capital of the Company,

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 14,

**"Permitted Transferee"** means

- (a) in relation to any Shareholder, any Employee Trust,
- (b) in relation to any Shareholder which is an Employee Trust, any Employee or individual who has been an Employee,
- (c) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees,
- (d) in relation to a Shareholder which is an undertaking (as defined in section 1161 of the Act) means any Member of the same Group,
- (e) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group, and
- (f) in relation to an Investor
  - (i) to any Member of the same Group,
  - (ii) to any Member of the same Fund Group,
  - (iii) to any other Investor,
  - (iv) to any Financial Institution or Institutional Investor, or
  - (v) to any nominee of an Investor,

**"Preference Amount"** means £1 0612 per share, together with a sum equal to any Arrears and as adjusted in accordance with Article 5 2 to reflect any Bonus Issue or Reorganisations,

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 15 6,

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

**"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 and in respect of any consideration payable otherwise than in cash, shall be the amount certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of that consideration,

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

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

**"Qualified IPO"** means a firm commitment underwritten public offering of shares in the Company,

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

**"Relevant Member"** means a member who holds shares on behalf of or shall have acquired shares directly or indirectly from the Founder pursuant to one or more Permitted Transfers (including where such shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Founder), or a member who holds shares in the Company upon a Family Trust in respect of the Founder or a Privileged Relation,

**"Relevant Period"** means 36 months from the Date of Adoption,

**"Relevant Shares"** means the Shares held directly or indirectly by the Founder or by any Permitted Transferee of the Founder at the Date of Adoption,

**"Seed Preferred Director"** means the director of the Company nominated by a Seed Preferred Majority under Article 24 2,

**"Seed Preferred Majority"** means the holders of at least 50% of the issued Seed Preferred Shares,

**"Seed Preferred Shares"** means the series seed preferred shares of £0 000001 each in the capital of the Company,

**"Seed Preferred Shareholders"** means the holders of the Seed Preferred Shares,

**"Shareholder"** means any holder of any Shares,

**"Share Option Plan(s)"** means the share option plan(s) of the Company, the terms of which have been approved by the Seed Preferred Majority,

**"Shares"** means the Ordinary Shares, Deferred Shares and the Seed Preferred 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,

**"Starting Price"** means £0 1612 (as adjusted as referred to in Article 20 to reflect any Bonus Issue or Reorganisations)

**"Subscription Agreement"** means the subscription and shareholders' agreement dated on or around the Date of Adoption between, inter alia, the Company, the Investors and others,

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

**"Transfer Notice"** shall have the meaning given in Article 15 2,

**"Transfer Price"** shall have the meaning given in Article 15 2(c),

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

**"Unvested"** means in relation to Ordinary Shares those shares which are either subject to transfer under Article 19 5 or capable of being converted into Deferred Shares under Article 8, and

**"Vested"** in relation to Ordinary Shares those shares which are no longer capable of being converted into Deferred Shares under Article 19 5

### **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 Except as otherwise provided in these Articles, the Seed Preferred Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares
- 3 3 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

### **4. DIVIDENDS**

- 4 1 The Seed Preferred Shareholders shall be entitled to participate in any distribution of Available Profits which the Company may determine to distribute pari passu with any other class or classes of Share to whom such distribution is made (as if the Seed Preferred Shares and the other relevant class or classes of Share constituted one class of share) pro rata on an as converted basis to their respective holdings of Shares
- 4 2 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 3 Subject to the Act, these Articles and the Subscription Agreement, the Board may, pay interim dividends if justified by the Available Profits in respect of the relevant period

## **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 shall be applied (to the extent that the Company is lawfully permitted to do so)
- (a) first in paying to each of the Seed Preferred Shareholders, in priority to any other classes of Shares, an amount equal to the Preference Amount for each issued Seed Preferred Share held (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Seed Preferred Shareholders pro rata to their respective holdings of Seed Preferred Shares), plus declared but unpaid dividends on each Seed Preferred Share,
  - (b) second in paying to the holders of the Deferred Shares, if any, a total of £1 00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares),
  - (c) the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held
- 5 2 In the event of any Bonus Issue or Reorganisation, the Preference Amount shall be subject to adjustment on such basis as may be agreed by the Company with the Seed Preferred Majority within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Seed Preferred Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company
- 5 3 Notwithstanding Section 5 1(a) above, for purposes of determining the amount each holder of Seed Preferred Shares is entitled to receive pursuant to Section 5 1(a), each such holder shall be deemed to have converted (regardless of whether such holder actually converted) such holder's shares of Seed Preferred Shares into Ordinary Shares immediately prior to the event giving rise to the distribution under Section 5 1(a) if, as a result of an actual conversion, such holder would receive (as determined in good faith by the Board of Directors of the Company), in the aggregate, an amount greater than the amount that would be distributed to such holder if such holder did not convert such Seed Preferred Shares

## **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 as is necessary to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5

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

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

## **7. VOTES IN GENERAL MEETING**

7.1 Seed Preferred Shares shall confer on each holder of Seed Preferred 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 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

7.3 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or 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. RESTRICTION ON FOUNDER TRANSFERS**

8 1 Prior to any Shares held either directly or indirectly by the Founder becoming Vested, the Founder shall not, and shall not agree to, transfer or otherwise dispose of the whole or any part of his interest in, or rights in respect of, or grant any option or other rights over, any Unvested Shares to any person (other than to a Permitted Transferee) except

- (a) with the prior written consent of the Seed Preferred Majority, or
- (b) where required or permitted to do so pursuant to the Subscription Agreement or these Articles

## **9. CONVERSION OF SEED PREFERRED SHARES**

9 1 Seed Preferred Shares shall convert into Ordinary Shares on the terms of this Article 9 and the corresponding share capital of the Company shall be re-designated accordingly, automatically

9 2 Any holder of Seed Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the Seed Preferred Shares held by them at any time. Those Seed Preferred Shares specified in such notice shall convert automatically on the date stated in such notice (the "**Conversion Date**")

9 3 All of the Seed Preferred Shares shall automatically convert into Ordinary Shares immediately upon the request of a Seed Preferred Majority and the Conversion Date shall be the date of the notice sent by a Seed Preferred Majority to the Company and the other holders of Seed Preferred Shares requesting such conversion

9 4 All of the Seed Preferred Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of a Qualified IPO

9 5 In the case of (i) Article 9 2 or 9 3, at least five Business Days after the Conversion Date or (ii) in the case of Article 9 4, at least five Business Days prior to the occurrence of the Qualified IPO, each holder of the relevant Seed Preferred 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 6 Where conversion is mandatory on the occurrence of a Qualified IPO, that conversion will be effective only immediately prior to such Qualified IPO (and "**Conversion Date**" shall be construed accordingly) and, if such Qualified 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 2, 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 7 On the Conversion Date, the relevant Seed Preferred Shares shall without further authority than is contained in these articles stand converted into Ordinary Shares at the Conversion Ratio (rounded down to the nearest whole number) and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares

9 8 The Company shall on the Conversion Date enter the holder of the converted Seed Preferred Shares on the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Seed Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Seed Preferred Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares

9 9 On the Conversion Date, the Company will pay to holders of the Seed Preferred Shares failing to be converted a dividend equal to any unpaid Arrears and accruals of dividends in relation to those Seed Preferred Shares, which payment may be waived by a Seed Preferred Majority

#### **10. DEFERRED SHARES**

10 1 The Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders

10 2 The allotment, issue or creation (by re-designation of Equity Shares or otherwise) of Deferred Shares shall be deemed to confer irrevocable authority on the Board at any time after their allotment or issue to appoint any person to execute or give on behalf of the holder of those shares a transfer of them to such person or persons as the Company may determine

#### **11. VARIATION OF RIGHTS**

11 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 save that the special rights attaching to the Seed Preferred Shares may only be varied or abrogated with the consent of the Seed Preferred Majority

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

12 1 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

- 12 2 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all Shareholders on the same terms and at the same price as those New Securities are being offered to other persons on 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 the period (being not less than 10 Business Days) within which the offer must be accepted, 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
- 12 3 Any New Securities not accepted by the Shareholders pursuant to the offer made to them in accordance with Article 12 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 12 2 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 12 2 (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, subject to Article 12 5, to any other person as the Directors may determine at the same price and on the same terms as the offer to the Shareholders
- 12 4 An Investor may assign all or any portion of its rights under this Article 13 or under Article 17 to a Member of the same Fund Group
- 12 5 Subject to Articles 12 2 to 12 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
- 12 6 No Shares shall be allotted to any Employee, Director, prospective employee or director tax resident in the United Kingdom unless such person has entered into a joint section 431 ITEPA election with the Company for the full disapplication of Chapter 2 of Part 7 of ITEPA

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

- 13 1 In Articles 13 to 19 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
- 13 2 No Share may be transferred unless the transfer is made in accordance with these Articles

- 13 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
- 13 4 Any transfer of a Share by way of sale which is required to be made under Articles 15 to 19 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 13 5 Unless express provision is made in these Articles to the contrary, no Ordinary Shares shall be transferred without the consent of the Investor Majority
- 13 6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 13 4 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 13 7 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 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 on a 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 a Seed Preferred Shareholder, or

- (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 4 1) 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

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

13 8 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 15 2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

#### 14 PERMITTED TRANSFERS

14 1 Subject to Article 14 7 any 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

14 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 14 2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise

14 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

- 14 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
- 14 5 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (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
- 14 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
- 14 7 If a company to which a Share has been transferred under Article 14 6, ceases to be a Qualifying Company it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares
- 14 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 15 2,
- failing which he shall be deemed to have given a Transfer Notice
- 14 9 On the death (subject to Article 14 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.

- 14 10 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, including the Seed Preferred Director.

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

- 15 1 Save where the provisions of Articles 14, 18 and 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 15.
- 15 2 A Shareholder who wishes to transfer any 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 (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**").
- 15 3 Except with the consent of the Seed Preferred Director, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.
- 15 4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 15 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 16,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 15 6 to 15 8 Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

15 6 The Sale Shares shall be offered in the following priority

- (i) first, to the Seed Preferred Shareholders, and
- (ii) second, to the Ordinary Shareholders,

in each case on the basis set out in Article 15 7

15 7 *Transfers First Offer*

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all Seed Preferred 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 15 7 and 15 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 Seed Preferred 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 held by those Seed Preferred 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 15 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 15 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 Seed Preferred Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 15 8

15 8 *Transfers Second Offer*

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Ordinary 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 Ordinary 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 Ordinary 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 Ordinary Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with 15 9(e)

15 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 15 7 and 15 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/or
  - (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 15 7 and 15 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 15 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 15 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 15 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 Board (with the consent of the Seed Preferred Director) determines 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

#### 15 10 *Waiver of restrictions*

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

### 16. VALUATION OF SHARES

- 16 1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either

- (a) appoint expert valuers in accordance with Article 16.2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares, or
  - (b) if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks, 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
- 16.2 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
- 16.3 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
- 16.4 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
- 16.5 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
- 16.6 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)
- 16.7 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

16 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.

16 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.

## **17. COMPULSORY TRANSFERS**

17 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.

17 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 17 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.

17 3 If a Shareholder which is a company or a Permitted Transferee of that Shareholder, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and/or such Permitted Transferee save to the extent that, and at a time, the Directors may determine.

17 4 If there is a change in control (as control is defined in section 1124 of CTA) 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

#### *Compulsory Transfer-Founder*

17 5 If the Founder ceases to be an Employee prior to the end of the Relevant Period by reason of being a Bad Leaver, the Founder shall be deemed to have given a Transfer Notice in respect of the Leaver's Percentage of his Employee Shares on the Effective Termination Date. In such circumstances the Transfer Price shall be the nominal value of the Employee Shares

17 6 For the purposes of Article 19 5, the Priority Rights shall be such that the Employee Shares are offered in the following order of priority

(a) to the Company (subject always to the provisions of the Act), and/or

(b) to the Seed Preferred Shareholders

17 7 If any of the Leaver's Percentage of Relevant Shares are not subscribed for in accordance with Article 19 5, such Shares shall immediately convert into Deferred Shares (rounded down to the nearest whole share)

17 8 If the Founder ceases to be an Employee during the Relevant Period on the grounds of illness resulting in permanent incapacity (whether physical or mental), death, the Ordinary Shares held by the Founder (or his Permitted Transferee) shall immediately become Vested

17 9 All voting rights attached to Employee Shares held by an Employee (the "**Restricted Member**"), if any, shall at the time he ceases to be an Employee be suspended unless the Board notify him otherwise

17 10 Any Employee Shares whose voting rights are suspended pursuant to Article 17 9 ("**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 17 9 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Shares in the Company in accordance with these Articles all voting rights attached to the 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

#### **18 CO-SALE RIGHT**

18 1 No transfer (other than a Permitted Transfer) of any of the Equity Shares may be made or validly registered unless the relevant Shareholder (a "**Selling Shareholder**") shall have observed the following procedures of this article

18 2 After the Selling Shareholder has gone through the pre-emption process set out in Article 15, the Selling Shareholder shall give to each holder of Seed Preferred Shares who has not taken

up their pre-emptive rights under Article 15 not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**") The Co-Sale Notice shall specify

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

- 18 3 Each Seed Preferred Shareholder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell The maximum number of shares which an Equity Holder can sell under this procedure shall be

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

where

X is the number of Equity Shares held by the Seed Preferred Shareholder,

Y is the total number of Equity Shares,

Z is the number of Equity Shares the Selling Shareholder proposes to sell,

Any Seed Preferred Shareholder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no shares

- 18 4 Following the expiry of five Business Days from the date the Seed Preferred Shareholders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Seed Preferred Shareholders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Seed Preferred Shareholders have indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Seed Preferred Shareholders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer

- 18 5 No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice

- 18 6 Sales made in accordance with this Article 18 shall not be subject to Article 15

## **19. DRAG-ALONG**

- 19 1 If a Seed Preferred Majority and an Ordinary Majority (the "**Dragging Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the

Dragging 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

- 19 2 The Dragging 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
- 19 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 Dragging Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Dragging Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 19 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
- 19 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article
- 19 6 Within five Business Days of the Dragging Shareholders 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 19 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 19 4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 19 4 in trust for the Called Shareholders without any obligation to pay interest
- 19 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 19 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 19 in respect of their Shares
- 19 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 19 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 19 4.

19 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 15.

19 10 If any new shares ("**New Shares**") are issued to any person, following the issue of a Drag Along Notice, pursuant to the exercise of an 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 in respect of their New Shares immediately upon that issue of New Shares on the same terms as the previous Drag Along Notice and the New Shareholder shall then be bound to sell and transfer all such New Shares 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 New Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **20. ADJUSTMENT OF CONVERSION PRICE**

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

## **21. PROXIES**

21 1 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

## **22. LIENS**

The Company shall have a first and paramount lien on 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

## **23. ALTERNATE DIRECTORS**

The Seed Preferred Director may appoint as an alternate any other director, or any other person to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors, in the absence of the appointing Director. Any appointment or removal of such alternate must be effected by notice in writing to the Company signed by the appointing Director, or in any other manner approved by the Directors

## **24 NUMBER AND APPOINTMENT OF DIRECTORS**

- 24 1 Unless and until the Company in general meeting shall otherwise determine with the consent of a Seed Preferred Majority, the number of Directors shall be not less than two and shall not exceed three
- 24 2 The Seed Preferred Majority shall be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Seed Preferred Majority shall be entitled to remove its 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
- 24 3 An Ordinary Majority shall each be entitled to nominate two persons to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. The Ordinary Majority shall be entitled to remove their nominated Directors 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

24 4 An appointment or removal of a Director under Articles 24 2 or 24 3 shall be effective upon delivery to the Company's registered office of

(a) an appropriate notice naming the relevant Person signed by the relevant Shareholder(s) (or their duly authorised representatives), and

(b) in the case of appointments only, a notice consenting to act and specifying an address for service of notices of meetings signed by the Person being appointed as a Director

24 5 The Seed Preferred Director shall be entitled at his 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

## **25. 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 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated

## **26. PROCEEDINGS OF DIRECTORS**

26 1 The Board shall comprise a maximum of three members. The quorum for Directors' meetings shall be two Directors who must include one Ordinary Director and, if appointed the Seed Preferred Director (save that where a Relevant Interest of the Seed Preferred Director is being authorised by the other Directors in accordance with section 175(5)(a) of the Act, such Seed Preferred 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 and the Seed Preferred Director. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

26 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.

26 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 participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

- 26 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.
- 26 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.
- 26 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.
- 26 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.

## **27. DIRECTORS' INTERESTS**

- 27 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
- 27 2 In addition to the provisions of Article 27 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 Seed Preferred 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) an Investor Fund Manager,
  - (b) any of the funds advised or managed by an Investor Fund Manager from time to time, or
  - (c) another body corporate or firm in which an Investor Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies
- 27 3 For the purposes of this Article 27, 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
- 27 4 In any situation permitted by this Article 27 (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
- 27 5 Subject to Article 27 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 27 7 and 27 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 27 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 27

27 6 Notwithstanding the other provisions of this Article 27, it shall not (save with the consent in writing of a Seed Preferred Director) be made a condition of any authorisation of a matter in relation to that Seed Preferred 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 27 8

27 7 Subject to Article 27 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 27), 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

27 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 27 7 shall apply only if the conflict arises out of a matter which falls within Article 27 1 or Article 27 2 or has been authorised under section 175(5)(a) of the Act

27 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

27 10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 27 1 or Article 27 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 27 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

27 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 27

27 12 For the purposes of this Article 27

- (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

---

## **28. NOTICES**

- 28 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 in hard copy form, in electronic form, (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
- 28 2 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 27
- 28 3 Any notice or other document given or supplied under these Articles may be delivered or sent by electronic form or first class post (airmail if overseas)
- (a) to the Company or any other company at its registered office or to an address notified to or by the Company for that purpose, or
  - (b) 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
  - (c) in the case of an intended recipient who is a Director or alternate, to his service address as shown in the register of directors service addresses, or
  - (d) to any other address to which any provision of the Act authorises the document or information to be sent or supplied, or
  - (e) 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 (d) above, to the intended recipient's last address known to the Company
- 28 4 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 if delivered, at the time of delivery or if posted, whichever occurs first receipt or 48 hours after the time it was posted
- 28 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, 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), at the time of delivery or at the start of the next Business Day if sent out of normal working hours
- 28 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

28 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

## **29 INDEMNITIES AND INSURANCE**

29 1 Subject to the provisions of and so far as may be permitted by, the Act

- (a) without prejudice to any indemnity to which a Director or officer of the Company may otherwise be entitled, every Director or other officer of the Company (other than the auditors of the Company) shall be entitled to be indemnified out of the assets of the Company against all costs, losses, liabilities and expenses which he may sustain or incur in or about the execution of the duties of his, her or its office or otherwise in relation to his, her or its office, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his, her or its favour or in which he is acquitted or in connection with any application under sections 144 or 727 of the Act or sections 661(3) or (4) or 1157 of the Act in which relief is granted to him by the court, and no Director or other officer (other than the auditors of the Company) shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his, her or its office or otherwise in relation to his, her or its office,
- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company, and
- (c) the Company shall (at the reasonable 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