

Company number: 07055592

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

-of-

Crowd Technologies Limited ("the Company")

Passed on 20 June 2017

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the following resolution was duly passed as a written resolution.

SPECIAL RESOLUTION

THAT, the draft articles of association of the Company in the form attached to this resolution be and are hereby adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

Signed:

Director

THURSDAY



A07 *A6C0VG1C* 03/08/2017 #79
COMPANIES HOUSE

The Companies Act 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
of
CROWD TECHNOLOGIES LIMITED
(Company number: 07055592)

(Adopted by Written Resolution dated 20 June 2017)

1. Preliminary

The model articles of association for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 in force on the date when these Articles become binding on the Company (**'Model Articles'**) apply to the Company except in so far as they are excluded or varied by these Articles.

2. Interpretation

2.1 In these Articles the following expressions have the following meanings unless inconsistent with the context:

'A' Shareholders	one or more Holders of 'A' Ordinary Shares from time to time and the term "A' Shareholder" shall be construed accordingly;
Act	the Companies Act 2006 as amended from time to time;
'A' Ordinary Shares	'A' Ordinary Shares of £0.001 each in the capital of the Company having the rights ascribed to them in these Articles;
Approved Director	a director nominated by the holders of the Majority of the 'A' Ordinary Shares by serving a written notice on the Company from time to time;
Articles	these Articles of Association as amended from time to time;
Auditor	the Company's auditor from time to time but if the Company does not have an auditor then

	references to 'Auditor' shall be references to the Company's accountant;
Audited Accounts	the audited accounts or, if the Company's accounts are not audited, the accounts of the Company filed at Companies House in respect of each successive financial year;
Bad Leaver	any Leaver who is not a Good Leaver;
Business Day	a day (other than a Saturday or Sunday) when banks are open for business in the City of London;
'C' Shareholders	one or more Holders of 'C' Ordinary Shares from time to time and the term 'C Shareholder' shall be construed accordingly;
'C' Ordinary Shares	'C' Ordinary Shares of £0.001 each in the capital of the Company having the rights ascribed to them in these Articles;
Connected Person	the meaning given to 'connected person' in section 993 of the Income Taxes Act 2007;
Controlling Interest	an interest (as defined in section 820 to 825 of the Act) in shares in the Company conferring in aggregate more than 50% of the total voting rights normally exercisable at a general meeting of the Company
Deemed Transfer Notice	as defined in Article 7.1
Determination Date	as defined in Article 6.7
Directors	the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company (the ' Board ') and the terms 'directors' and 'director' shall be interpreted accordingly;
Equity Shares	the Ordinary Shares, the 'A' Ordinary Shares and the 'C' Ordinary Shares issued in the capital of the Company from time to time;
Expert	the Auditor, or if the Auditor declines such appointment any said person accepting the appointment having been nominated by the

	President of the Institute of Chartered Accountants in England and Wales;
Fair Value	the amount agreed between the Directors (with the written consent of the Holders of the Majority of the 'A' Ordinary Shares) and the Transferor or, in the absence of agreement within 21 days of the Relevant Event, the amount determined by the Expert in accordance with Article 6;
Family Member	the spouse, civil partner (as defined in the Civil Partnership Act 2004), widow or widower of a Holder and the Holder's children and grandchildren (including step and adopted children) and step and adopted children of the Holder's children, parents and grandparents;
Family Trust	in relation to an Ordinary Shareholder or a 'C' Ordinary Shareholder, a trust or settlement set up wholly for the benefit of that Ordinary Shareholder or 'C' Ordinary Shareholder ('Settlor') and/or for the Settlor's Family Member(s);
Financial Year	an accounting period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;
Fund Manager	Midven Limited, a company registered in England and Wales with registered number 2500898 and whose registered office is at Second Floor, Cavendish House, 39-41 Waterloo Street, Birmingham B2 5PP;
Good Leaver	a Leaver who leaves as a result of: <ul style="list-style-type: none"> (i) death; or (ii) retirement at 65 years of age or more; or (iii) Serious Ill Health; or (iv) wrongful, constructive or unfair dismissal (save where such dismissal is only constructive or unfair due to procedural irregularities on behalf of the Company); or (v) voluntarily leaving his employment with

	the Company;
	and in addition
	(vi) any person whom the Directors, with the written consent of the Holders of a Majority of the 'A' Ordinary Shares, determine to be a Good Leaver;
Group	the Company and its subsidiary undertakings (as defined at section 1162 of the Act) from time to time and references to 'member of the Group' and 'Group Company' shall be construed accordingly
Holder	a member whose name is entered in the Company's register of members as holding shares and the term ' Holders ' is to be construed accordingly;
Issue Price	in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value and any share premium
Joint Election	a joint election under section 431 of the Income Tax (Earnings and Pensions) Act 2003 in a form approved by the Holders(s) of the Majority of the 'A' Ordinary Shares;
Leaver	any employee and/or consultant and/or director who is a Holder and who ceases to be an employee and/or consultant and/or director of the Company for whatever reason but this shall not include any of the Private Investors or any 'A' Shareholder or any of their members, agents or nominees who may be an employee and/or consultant and/or director of the Company;
Majority of the 'A' Ordinary Shares	the majority in aggregate of the issued nominal value of 'A' Ordinary Shares
Net Return	the amount to be distributed to the Holders including payments made under Article 3.3.1
New Securities	any shares or other securities convertible into, or carrying the right to subscribe for, shares, issued by the Company after the date of adoption of these Articles;

Non-Voting shares	the 'C' Ordinary Shares
Notice	a written notice given or deemed to be given under Article 4.8 by a New Member to the Company stating that all shares held by that New Member are available for sale or transfer to the Ordinary Shareholders for the aggregate sum of £1.00 and which notice shall appoint the Company as the agent of the New Member for the sale of those shares;
Office	the registered office of the Company;
Ordinary Shareholders	the Holders of the Ordinary Shares;
Ordinary Shares	ordinary shares of £0.001 each in the capital of the Company having the rights ascribed to them as set out in these Articles;
Permitted Transfers	any transfer of shares in accordance with Article 4.3 and 4.4;
the Price	as defined in Article 6.3;
Private Investors	as defined in the Subscription Agreement;
Profits Available	profits available for distribution as defined in section 830(2) of the Act;
the Purchaser	as defined in Article 6.20;
Sale	the sale of the entire issued share capital of the Company to a third party;
Secretary	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
Serious Ill Health	an illness or disability certified by a general medical practitioner (nominated or approved by the Holders of the Majority of the 'A' Ordinary Shares) as rendering the departing person permanently incapable of carrying out his role as an employee and/or director save where such incapacity has arisen as a result of the abuse of drugs or alcohol;

Share	an Ordinary Share, 'A' Ordinary Share or 'C' Ordinary Share and the term 'Shares' shall be interpreted accordingly;
Shareholder Consent	the consent in writing of one or more 'A' Shareholders who either on their own or between them hold a Majority of the 'A' Ordinary Shares at the relevant time;
Statutes	the Companies Act as defined in section 2 of the Act and every other statute, order, regulation, instrument or other subordinate legislation for the time being relating to companies and affecting the Company;
Subscription Agreement	the subscription agreement entered into on 10 February 2011 between (1) the Company, (2) The Managers (as defined therein), (3) The Private Investors, (4) Early Advantage Limited Partnership acting by its general partner Millpoint Limited and (5) Midven Limited;
Tag Along Offer	an unconditional offer, open for acceptance for not less than 28 days, to purchase shares held by the recipients of a Tag Along Offer or shares for which such recipients may subsequently subscribe, free from all liens, charges and encumbrances at a price per share equal to the highest price per share (exclusive of stamp duty, stamp duty reserve tax and commission) paid or to be paid by any transferee referred to in Article 9.7 (or any person with whom such transferee is connected with or with whom such transferee is acting in concert) for shares (inclusive of the shares giving rise to the obligation to make the Tag Along Offer) within the period of one year ending on the proposed date of completion of such transfer of shares. In the event of disagreement, the calculation of the relevant Tag Along Offer price shall be referred to the Expert;
United Kingdom	Great Britain and Northern Ireland;
Withdrawal Period	as defined in Article 6.9;
Voting Shares	the 'A' Ordinary Shares and the Ordinary Shares.

- 2.2 Unless the context otherwise requires, words and expressions contained in these Articles bear the same meaning as in the Statutes (but excluding any statutory modification not in force when these Articles become binding on the Company) or the Subscription Agreement.
- 2.3 References to any statute or statutory provision include, unless the context otherwise requires, a reference to that statute or statutory provision as modified, replaced, re-enacted or consolidated and in force from time to time and any subordinate legislation made under the relevant statute or statutory provision.

3. Share Rights

The rights attaching to the Equity Shares are as follows:

3.1 As regards to income:

- 3.1.1 any profits which the Company determines to distribute in respect of any Financial Year shall, subject to obtaining Shareholder Consent, be applied in distributing such profits amongst the Holders of the Ordinary Shares, the 'A' Ordinary Shares and the 'C' Ordinary Shares then in issue *pari passu* according to the number of such Equity Shares held by them respectively as if they constituted one class of share;
- 3.1.2 from the financial year commencing 1 November 2018, in the event that there are Profits Available, the Holders of the Equity Shares will be entitled to an annual non-cumulative participating cash dividend. Each of the Ordinary Shares, the 'A' Ordinary Shares and the 'C' Ordinary Shares shall rank *pari passu* as one class of share for the purpose of entitlement to such dividend. The aggregate cash dividend in respect of the Equity Shares will be a minimum of 25% (or such higher percentage as may be agreed by the Holders of the Equity Shares) of the Profits Available as shown in the Audited Accounts for each such year. Such dividend shall be payable to the Holders of the Equity Shares *pro rata* to the number of Equity Shares held by them on the last day of the relevant Financial Year. Such dividend will be payable 10 days after the filing of the Audited Accounts at Companies House by or on behalf of the Company.

3.2 As regards capital on a liquidation or otherwise except a Sale:

On a return of capital on liquidation or otherwise except a Sale, the assets of the Company available for distribution among the members shall be applied:

- 3.2.1 firstly in paying to the Holder(s) the amounts paid up or credited as paid up in relation to the nominal value and also any premium paid in respect of the issue of the Ordinary Shares, the 'A'

Ordinary Shares and the 'C' Ordinary Shares together with a sum equal to any arrears or accruals of the dividend detailed in Article 3.1 thereon; and

- 3.2.2 the balance shall be distributed amongst the Holders of the Ordinary Shares, the 'A' Ordinary Shares and the 'C' Ordinary Shares (*pari passu* as if the same constituted one class of share) in proportion to their shareholding.

3.3 As regards capital on a Sale:

On a return of capital on a Sale, the amount available for distribution among the members shall be applied as follows:

- 3.3.1 first in paying to the Holders the amounts paid up or credited as paid up in relation to the nominal value and also any premium paid in respect of the issue of the Shares together with a sum equal to any arrears or accruals of the dividend detailed in Article 3.1; and then
- 3.3.2 on a Net Return of up to £5 million the balance shall be distributed to the Holders of the 'A' Ordinary Shares and the Ordinary Shares (*pari passu* as if the same constituted one class of share) in proportion to the number of shares held;
- 3.3.3 on a Net Return of between £5 million and £10 million, 15% of the Net Return in excess of £5 million shall be divided by 200 to derive the amount attributable to each 'C' Ordinary Share and the distribution to each Holder shall then be the amount attributable to each 'C' Ordinary Share multiplied by the number of 'C' Ordinary Shares held by that Holder and then the balance shall be distributed to the Holders of all Shares (*pari passu* as if the same constituted one class of share) in proportion to the number of shares held;
- 3.3.4 on a Net Return of between £10 million and £15 million, {£750,000 plus 20% of the Net Return in excess of £10 million} shall be divided by 200 to derive the amount attributable to each 'C' Ordinary Share and the distribution to each Holder shall then be the amount attributable to each 'C' Ordinary Share multiplied by the number of 'C' Ordinary Shares held by that Holder and then the balance shall be distributed to the Holders of all Shares (*pari passu* as if the same constituted one class of share) in proportion to the number of shares held;
- 3.3.5 on a Net Return of over £15 million, {£1,750,000 plus 25% of the Net Return over £15 million} shall be divided by 200 to derive the amount attributable to each 'C' Ordinary Share and the distribution to each Holder shall then be the amount attributable to each 'C' Ordinary Share multiplied by the number of 'C'

Ordinary Shares held by that Holder and then the balance shall be distributed to the Holders of all Shares (*pari passu* as if the same constituted one class of share) in proportion to the number of shares held.

4. The 'A' Ordinary Shares and Permitted Transfers

4.1 The provisions of this Article 4 shall apply so as to override any of the other provisions of these Articles and so as to have effect and remain in force when and for so long as any 'A' Ordinary Shares are in issue:

4.1.1 for the purposes of references to a nominee of an 'A' Shareholder which occurs in these Articles, each 'A' Shareholder may by notice to the Company declare that a person, firm or other entity holds as nominee for it;

4.1.2 save for any special rights provided in these Articles in respect to 'A' Ordinary Shares, the Ordinary Shares and the 'A' Ordinary Shares shall rank *pari passu* with each other in all respects;

4.1.3 at any general meeting of the Company where a vote is proposed, each 'A' Shareholder shall be entitled to demand a poll; and

4.1.4 if any resolution in any form is proposed to be passed to delete, amend or override the provisions of these Articles (including but not limited to such resolution being proposed at a general meeting of the Holders) the Holder(s) of a Majority of the 'A' Ordinary Shares shall, if voting against such resolution, be deemed with regard to such resolution to cast such number of votes for each 'A' Ordinary Share of which they are the Holders as will enable them or their nominees to prevent the resolution from being passed.

4.2 On each and every transfer of 'A' Ordinary Shares, the transferor may by notice to the Company elect that the 'A' Ordinary Shares immediately prior to the transfer automatically cease to be 'A' Ordinary Shares and shall become Ordinary Shares.

4.3 Notwithstanding anything to the contrary contained in these Articles, each 'A' Shareholder will be permitted to transfer any holding of 'A' Ordinary Shares registered in their name, free of any pre-emption provisions contained in these Articles, to:

4.3.1 any fund at that time managed by the Fund Manager; or

4.3.2 any fund managed by a member of the British Venture Capital Association; or

- 4.3.3 with the written approval of the Directors and with Shareholder Consent, any other person or organisation.
- 4.4 As regards transfers of shares held by the Ordinary Shareholders or the 'C' Ordinary Shareholders, such shareholders may subject to Articles 4.5 to 4.10 below transfer their shares at nil value only to any of the following (each being a '**Permitted Transferee**'):
- 4.4.1 any Family Member; or
- 4.4.2 the trustees of any Family Trust.
- 4.5 All Permitted Transferees holding shares as a result of a Permitted Transfer under Article 4.4 shall, in the event that the Ordinary Shareholder or 'C' Ordinary Shareholder of whom they are a Permitted Transferee retains at least one share, be deemed always to exercise their voting rights in the same way and manner as the Ordinary Shareholders or 'C' Ordinary Shareholders of whom they are Permitted Transferees.
- 4.6 Where shares are held by trustees of a Family Trust:
- 4.6.1 they may, on any change of trustees, be transferred to the new trustees of the Family Trust;
- 4.6.2 if the shares cease to be held upon a Family Trust (otherwise than in connection with a transfer by the trustees authorised by this Article or a transfer to the Ordinary Shareholder or 'C' Ordinary Shareholder or to another Family Member or to another Family Trust) the trustees of the Family Trust shall, within 7 days of the cessation give (and in default shall be deemed to have given) a Transfer Notice (as defined in Article 6 below) in respect of the shares.
- 4.7 If any person has acquired Relevant Shares as a Permitted Transferee of an Ordinary Shareholder or 'C' Ordinary Shareholder by one or more Permitted Transfers and that Permitted Transferee ceases to be a Permitted Transferee of that Ordinary Shareholder or 'C' Ordinary Shareholder (the '**Relevant Member**') that person shall transfer all the Relevant Shares then held by that Permitted Transferee back to the Relevant Member, at nil value, within 10 Business Days of the person ceasing to be a Permitted Transferee. Failing such transfer within that period, a Transfer Notice (as defined in Article 6) shall be deemed to have been given in respect of the Relevant Shares by the holders thereof to the Relevant Member and the Relevant Shares shall be transferred back to the Relevant Member and the Relevant Shares may not otherwise be transferred. For the purposes of this Article 4.7:
- 4.7.1 the expression '**Relevant Shares**' means and includes the shares originally transferred to the then Permitted Transferee and any additional shares issued or transferred to the then Permitted

Transferee by virtue of the holding of the Relevant Shares or any of them; and

4.7.2 for the avoidance of doubt, the pre-emption rights set out in Article 6 shall not apply to the transfer of the Relevant Shares back to the Relevant Member.

- 4.8 Unless the Holders of a Majority of the 'A' Ordinary Shares resolve otherwise, in the event that a person who is not a Permitted Transferee (the '**New Member**') becomes legally or beneficially entitled to any shares, all such shares shall become immediately transferable to a *Permitted Transferee for such consideration as the New Member and the relevant Permitted Transferee shall agree*. In the event that such transfer is not completed within 28 Business Days of the date on which the New Member became legally or beneficially entitled to such shares, all such shares shall become immediately transferable to a Permitted Transferee as the Board shall determine in its absolute discretion. A Notice shall be deemed to have been served in respect of such shares immediately after the expiry of such 28 Business Day period and the provisions of Article 4.9 shall apply to the transfer of those shares.
- 4.9 Completion of a sale and purchase of shares pursuant to a Notice shall take place at the registered office of the Company at a time specified by the Board when the relevant selling New Member (the '**Vendor**') shall, upon payment to him by the relevant purchasing Permitted Transferee (the '**Purchaser**') of the aggregate consideration of £1 transfer those shares and deliver the related share certificates to that Purchaser.
- 4.10 If a Vendor fails to transfer any shares when required the Board may authorise any person (who shall be deemed to be the attorney of the Vendor for the purpose) to execute the necessary transfer of such shares and deliver it on the Vendor's behalf. The Company may receive the purchase money for the shares from the relevant Purchaser and shall, upon receipt of the duly stamped transfer, register the relevant Purchaser as the Holder of those shares. The Company shall hold the purchase money in a separate bank account on trust for the Vendor but shall not be bound to earn or pay interest on any money so held. The Company's receipt for the purchase money shall be a good discharge to the relevant Purchaser (who shall not be concerned to see to the application of it). After the name of the relevant Purchaser has been entered in the Company's register of members in purported exercise of the power conferred by this Article 4.10, the validity of that exercise shall not be questioned by any person.
- 4.11 Subject to the Permitted Transfers, where any Holder other than the Private Investors proposes a transfer of shares and has received a Release Notice (under Article 6.19) each 'A' Shareholder may require that the proposed transferee purchase its entire shareholding (or part thereof) of 'A' Ordinary Shares at the same price and upon the same terms as proposed in the Transfer Notice. If the proposed transferee does not do so, the Directors shall not register any transfer of shares to the proposed

transferee and no dividend shall be paid on the shares that were the subject of the Transfer Notice (although any dividend declared by the Company shall remain payable) until such time as the proposed transferee makes good his purchase of the 'A' Ordinary Shares.

5. Issue of New Shares

5.1 Unless otherwise agreed in writing by the Holders of the Majority of the 'A' Ordinary Shares, no new shares in the capital of the Company shall be issued. Unless the Holders of the Equity Shares otherwise resolve by special resolution, any new Equity Shares from time to time proposed to be issued shall before they are issued be offered to the Holders of the Equity Shares in proportion to their holding of Equity Shares of the same class (and for the avoidance of doubt, the new Equity Shares offered to the Holders of the Equity Shares shall be of such classes as is *pro rata* to the classes of Equity Shares actually in issue in the capital of the Company at the time the offer is made). The offer shall be made by notice specifying the number and class of shares offered and the price per share (which shall be the same price regardless of class of Equity Share) and limiting a time (not being less than fifteen days or greater than twenty one days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of such time, or on the receipt of an indication from the person to whom the offer is made that he declines to accept the shares offered to him, the Directors shall offer the shares declared in like manner to the Holders of the Equity Shares who have agreed to subscribe for all the shares offered to them. If the shares comprised in such further offer are declined or deemed to be declined the further offer shall be withdrawn.

5.2 Any Equity Shares offer (or where there is a further offer, that offer) declined or deemed to be declined in accordance with the provisions of Article 5.1 shall be at the disposal of the Directors who may with Shareholder Consent allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper, provided that:

5.2.1 no shares shall be issued at a discount;

5.2.2 no 'A' Ordinary Shares shall be issued to a person, firm or entity which is not already an 'A' Shareholder at the time of the proposed issue without Shareholder Consent;

5.2.3 no shares to which Article 5.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such shares made under Article 5.1 unless the procedure set out in Article 5.1 is repeated in respect of such shares (and so that the time limit set out in this Article 5.2.3 shall apply equally to any repetition of that procedure);

5.2.4 no shares shall be issued at a price less than that at which they were offered to the Holders of the Equity Shares in accordance

with Article 5.1 and if the directors are proposing to issue such share wholly or partly for non-cash consideration the cash value for the purposes of this Article 5.2.4 shall be as determined by the Auditors who shall act as experts and not as arbitrators and whose determination shall be final and binding on the Company and each of its Holders; and

5.2.5 any employee of the Company or Group Company to whom any shares are allotted shall, in conjunction with such allotment, enter into a Joint Election if required to do so by the Holders of the Majority of the 'A' Ordinary Shares and a Deed of Adherence if so required by the Subscription Agreement.

5.3 The provisions of sub-sections 561(1) and 562(1) the Act shall not apply to the Company.

5.4 Notwithstanding the provisions of Articles 5.1 and 5.2, if the Board (acting unanimously) reasonably considers that complying with the requirements set out in Articles 5.1 and 5.2 would be detrimental to the financial position of the Company, upon a written direction from the Holders of the Majority of the 'A' Ordinary Shares, the Company may issue New Securities at the price set out in Article 5.1 to any one or more 'A' Shareholders (or their nominees) (**'Participating 'A' Shareholder(s)'**) and the rights of pre-emption of the remaining Holders (including the 'A' Shareholders (if any) who have not received any New Securities in accordance with the earlier provisions of this Article 5.4) (the **'Other Shareholders'**) shall be deemed to be waived. In such circumstances, as soon as reasonably practicable following the issue of New Securities to the Participating 'A' Shareholder(s) (or their nominees) and, in any event, no later than 21 days after subscription of the New Securities by the Participating 'A' Shareholder(s) (or their nominees), the Participating 'A' Shareholder(s) shall offer such proportion of such New Securities to the Other Shareholders as they would have been entitled to had Articles 5.1 and 5.2 applied (the **'Other Shareholders' Pre-Emption Shares'**). Any such offer shall be on terms substantially the same as the terms that would have applied under Articles 5.1 and 5.2 had the transfer of the Other Shareholders' Pre-Emption Shares taken place and the Participating 'A' Shareholder(s) (or their nominees) shall transfer the relevant number of New Securities to the Other Shareholders who accept such offer. Any stamp duty charges involved in the transfer of the New Securities from the Participating 'A' Shareholder(s) (or their nominees) to the Other Shareholders shall be borne equally by the parties or, subject to obtaining Shareholder Consent, the Company.

6. Pre-emption rights on transfer of shares

6.1 For as long as any 'A' Ordinary Shares in the Company are in issue, all and any share transfers require Shareholder Consent pursuant to Article 8.4. For the purposes of these Articles the following shall be deemed (but without limitation) to be a transfer by a Holder:

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- 6.1.1 any direction (by way of renunciation or otherwise) by a Holder entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
 - 6.1.2 any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached to it), (i) whether or not by the relevant holder, (ii) whether or not for consideration, and (iii) whether or not effected by a written instrument.
 - 6.2 Except as otherwise permitted by these Articles, the right to transfer shares in the Company shall be subject to the following provisions and Articles 7 and 8:
 - 6.2.1 before transferring or agreeing to transfer any share or any interest therein (including for this purpose the assignment of any beneficial interest in, or the creation of any charge or security interest over, such share and the renunciation or assignment of any right to receive or subscribe for such share) the person proposing to transfer the same (the 'Transferor') shall give notice in writing (a 'Transfer Notice') to the Directors that he wishes to transfer such share.
 - 6.2.2 The Transfer Notice shall specify:
 - 6.2.2.1 the number and class of shares the Transferor wishes to transfer (each a '**Transfer Share**' and collectively '**Transfer Shares**') (which may be all or some of the shares held by the Transferor);
 - 6.2.2.2 the identity of such third party to whom the Transferor wishes to transfer the said shares;
 - 6.2.2.3 the price at which the Transferor wishes to sell the Transfer Shares; and
 - 6.2.2.4 whether or not the Transferor wishes to impose a Total Transfer Condition such that unless all the Transfer Shares are sold pursuant to the following provisions of this Article 6, then none shall be sold. In the absence of any such statement, the Transfer Notice shall be deemed not to contain a Total Transfer Condition.
 - 6.2.3 Where any Transfer Notice is deemed to have been given in accordance with Article 7, all the shares registered in the name of the Transferor shall be included for transfer and the provisions of Article 6.2.2.4 shall not apply.

- 6.2.4 The Transfer Notice shall constitute the Company as the agent of the Transferor for the sale of the Transfer Shares (together with all rights attaching thereto at the date of the Transfer Notice or at any time thereafter) upon the following terms:
 - 6.2.4.1 the price for the Transfer Shares is the Price (save in the case of a Deemed Transfer Notice where the Price will be determined in accordance with either Article 7.7 or Article 7.8 (as appropriate); and
 - 6.2.4.2 the Transfer Shares are to be sold free from all liens, charges and encumbrances together with all rights attaching to them.
- 6.2.5 Where a Transfer Notice is given in respect of more than one class of share, it shall be deemed for the purposes of this Article 6 to comprise a separate Transfer Notice in respect of each class of shares proposed to be transferred;
- 6.2.6 Should the notice contain a Total Transfer Condition the condition shall apply to each and every class of share in the notice.
- 6.2.7 Within twenty eight days of the receipt by them of any Transfer Notice, the Directors shall send a copy of that Transfer Notice to all the Holders other than the Transferor.
- 6.3 The Price shall be the price agreed in writing between the Transferor and the Directors and become final and binding upon obtaining Shareholder Consent or, in the absence of such agreement or the failure to obtain Shareholder Consent (whether by disagreement, absence, death or otherwise) by the Expert. The 'Price', which expression, where used in respect of more than one Transfer Share, shall mean the price in respect of one only of the Transfer Shares multiplied by the number of Transfer Shares in question agreed or determined in accordance with the following provisions of this Article 6.
- 6.4 The Expert shall act as an expert and not as an arbitrator, and his determination of the Price shall be final and binding on all Holders.
- 6.5 The Expert shall certify the Price, which shall be the open market value of the Transfer Shares as at the date of the Transfer Notice on the following assumptions and bases:
 - 6.5.1 the Transfer Shares shall be valued as on an arm's length sale between a willing seller and a willing buyer;
 - 6.5.2 it shall be assumed, if the Company is then carrying on business as a going concern, that it will continue to do so;

6.5.3 it shall be assumed that the Transfer Shares are capable of being transferred without restriction; and

6.5.4 it shall be assumed that no diminution in value applies to the Transfer Shares by virtue of the fact they represent a minority interest.

If any difficulty shall arise in applying any of the foregoing assumptions or bases, it shall be resolved by the Expert in such manner as he may in his absolute discretion think fit.

6.6 The Directors shall procure that the Expert shall have access to the Company's premises and books and accounting records for the purposes of determining the Price.

6.7 If the determination of the Price is referred to the Expert, the date upon which the Directors receive the Certificate shall be the '**Determination Date**'. If the Price is determined by agreement with the Directors (in accordance with Article 6.3), then the Determination Date shall be the date upon which such agreement is made.

6.8 Where the Expert has determined the Price, the Directors shall within seven days of the Determination Date send to the Transferor a copy of the Certificate.

6.9 The Transferor shall be entitled (except as otherwise herein provided) to revoke the Transfer Notice on giving notice in writing to the Directors within the period of fourteen days after receipt by him of the Certificate ('**Withdrawal Period**'), save for in the case of a Deemed Transfer Notice pursuant to Article 7, which shall be irrevocable.

6.10 The costs and expenses of the Expert in determining the Price shall be borne by the Transferor and the Purchasers in such proportions as the Expert may determine unless either the Transferor shall revoke the Transfer Notice as permitted by these Articles or none of the Transfer Shares are purchased by the Holders pursuant to the following provisions of this Article 6, in which event the Transferor shall pay all of such costs and expenses.

6.11 Within seven days of the Determination Date each Transfer Share shall be offered firstly to the Company at the Price, and the Company reserves the right to purchase any or all of the Transfer Shares and shall accordingly notify the Transferor within seven days of the Determination Date if it is willing to purchase the Transfer Shares and if so, how many of the Transfer Shares it is willing to purchase. The Holders and the Directors will do all things reasonably necessary upon being requested to do so by the Directors to facilitate the lawful purchase by the Company of the relevant number of Transfer Shares.

- 6.12 In the event the Company does not purchase any or all of the Transfer Shares under Article 6.11, then within 21 days of the Determination Date, all of the Transfer Shares (or those Transfer Shares remaining after the Company has confirmed its commitment to acquire Transfer Shares pursuant to Article 6.11) shall be offered for purchase at the Price by the Directors in accordance with the following provisions:
- 6.12.1 the Directors shall by notice in writing (**‘the Offer’**) offer the Transfer Shares to those members who at the date of the Offer are registered as the Holders of Equity Shares (but not to the Transferor or to any member to whom under Article 7 shares may not be transferred); and any of the Transfer Shares not accepted by such members shall, in the case of competition, be sold to the acceptors in proportion (as nearly as may be without involving fractions or selling to any member a greater number of Transfer Shares than the maximum number applied for by him) to the number of shares then registered in their respective names;
 - 6.12.2 the Offer shall specify:
 - 6.12.2.1 the number and class of shares offered;
 - 6.12.2.2 the Price;
 - 6.12.2.3 whether the Transfer Notice contains a Total Transfer Condition and, whether this extends to other shares of a different class being offered by the Transferor;
 - 6.12.2.4 the time limit for the acceptance of the Offer (**‘Offer Period’**) which shall be not less than twenty-one and not more than thirty-five days; and
 - 6.12.2.5 the manner in which the Offer may be accepted in accordance with Article 6.13.
- 6.13 Acceptance of the Offer shall be by notice in writing by the member to the Directors and must specify the maximum number of shares that member wishes to accept (which may be for all the Transfer Shares or some smaller number). A valid acceptance of the Offer may not be withdrawn, and a member who validly accepts the Offer shall be obliged to purchase any Transfer Shares allocated to him in accordance with these Articles.
- 6.14 If any of the Transfer Shares shall not be capable of being allocated as aforesaid without involving fractions, then the Directors shall allocate the Transfer Shares in the integer of the numbers so determined and thereafter they will allocate any remaining shares as the Directors shall think fit.

- 6.15 If by the foregoing procedure the Directors shall not have received acceptances from Holders in respect of all of the Transfer Shares within the Offer Period, they shall forthwith give notice in writing of that fact to all the Holders, and thereupon the Holders of at least three quarters in nominal value of the issued and paid up shares of the Company (excluding all shares held by the Transferor) shall be entitled within fourteen days of the date of service of that notice to nominate by written notice to the Directors signed by each such Holder, and which may consist of several notices in the like form, (the '**Nomination**') any person or persons, whether or not a Holder, who has or have expressed in writing his or their willingness to purchase at the Price all or any of those Transfer Shares in respect of which acceptances have not been received and the Directors and the person or persons so nominated shall be deemed to have made and to have accepted an offer for the said Transfer Shares respectively.
- 6.16 If any such nominated purchaser shall fail to complete any such purchase in accordance with this Article 6, the Holders other than those who did not sign the Nomination shall be jointly and severally liable to complete such purchase in place of that nominated purchaser.
- 6.17 If the Transfer Notice contained a Total Transfer Condition, then no offer of Transfer Shares made by the Directors pursuant to this Article 6 shall be capable of acceptance until there are acceptances in respect of all of the Transfer Shares from the members or any of them or any person or persons nominated pursuant to Article 6.15.
- 6.18 If by the foregoing procedure set out in this Article 6 the Directors shall not receive acceptances in respect of all the Transfer Shares in relation to which a Total Transfer Condition applied, they shall forthwith give notice in writing of that fact to the Transferor (a '**Release Notice**').
- 6.19 Within the period of three months after the date of the Release Notice but not after the said period, the Transferor may sell all, but not some only, of the Transfer Shares to the person named in the Transfer Notice, at any price which is not less than the Price (after deducting, where appropriate, an amount equal to any net dividend or other distribution declared, made or paid after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Transferor). The Directors shall accordingly, but subject to Article 8, be obliged to register any transfer of the Transfer Shares lodged for registration within the period of three months after the date of the Release Notice provided that the price in respect thereof shall be not less than as aforesaid.
- 6.20 If any Holder(s) or person or persons nominated pursuant to Article 6.15 (each a '**Purchaser**') shall in accordance with these Articles agree to purchase all of the Transfer Shares, the Directors shall forthwith give notice in writing (a '**Purchase Notice**') to the Transferor, and the Purchaser and the Transferor shall thereupon become bound upon payment of the Price to the Transferor whose receipt shall be a good discharge to the Purchaser, the Company and the Directors, none of whom

shall be bound to see to the application thereof to transfer to each Purchaser those Transfer Shares accepted by him.

- 6.21 The Purchase Notice shall state the name and address of each Purchaser, the number of Transfer Shares agreed to be purchased by him and the time and place appointed by the Directors for the completion of the purchase being not less than fourteen days nor more than twenty-eight days after the date of the said notice and not being at a place outside England.
- 6.22 If the Transfer Notice did not contain a Total Transfer Condition, and if by the foregoing procedure set out in this Article 6 the Directors shall have received acceptances in accordance with these Articles in respect of part only of the Transfer Shares, they shall forthwith send to the Transferor notice thereof, and the following provisions shall apply:
- 6.22.1 the Transferor shall thereupon become bound upon payment of the Price to transfer to each acceptor those Transfer Shares accepted by him (the provisions of Articles 6.22 and 6.23 applying *mutatis mutandis*).
- 6.22.2 the Transferor may, subject as hereinafter provided, within a period of three months after the date of the Directors' notice, (referred to in this Article 6.22) sell to the person named in the Transfer Notice all or any of those Transfer Shares which have not been accepted by any person at any price which is not less than the Price (after deducting, where appropriate, an amount equal to any net dividend or other distribution declared, paid or made after the date of the Transfer Notice in respect of the Transfer Shares and which has been or is to be retained by the Transferor). The Directors shall accordingly, but subject to Article 8, be obliged to register any transfer of the Transfer Shares lodged for registration within the period of three months after the date of the Directors' notice (referred to in this Article 6.22) provided that the price in respect thereof shall be not less than as aforesaid.
- 6.22.3 If the Transferor, having become bound to transfer any Transfer Shares pursuant to this Article 6, makes default in transferring them, the Directors may appoint and authorise some person, who shall be deemed to be the agent of the Transferor for the purpose, to execute the necessary instrument of transfer in respect of such Transfer Shares and, in the absence of the relevant share certificate, any indemnity in respect thereof requested by the Directors and may deliver it or them on his behalf, and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped) cause the transferee to be registered as the Holder of such Transfer Shares and shall hold the purchase money on behalf of the Transferor. The Company shall not be bound to earn or pay interest on any money so held. The receipt of the Company for

such purchase money shall be a good discharge to the transferee, who shall not be bound to see to the application thereof, and, after the name of the transferee has been entered in the register of members in purported exercise of this power, the validity of the proceedings shall not be questioned by any person.

- 6.22.4 Without prejudice to Article 8, the Directors may require to be satisfied (including without limitation by statutory declaration as referred to in Article 8.6) that any shares being transferred by the Transferor pursuant to Articles 6.18 or 6.22.2 are being transferred in pursuance of a *bona fide* sale for the consideration stated in the transfer and, if not so satisfied, notwithstanding any other provision of these Articles, may refuse to register the transfer.

7. Deemed transfer provisions

- 7.1 Save for each 'A' Shareholder, its members, agents or its nominees, upon the happening of any Relevant Event the Holder in question shall be deemed to have given a Transfer Notice (a '**Deemed Transfer Notice**') in respect of all shares then registered in the name of such Holder and his Permitted Transferees and in respect of all shares which he would otherwise be entitled to have registered in his name. The Deemed Transfer Notice shall be irrevocable and shall supersede any previous transfer notice provided by the Holder and the provisions of Article 6 shall apply *mutatis mutandis* save that the Price shall be determined in accordance with Articles 7.7 and 7.8 and references in Article 6 to 'the Transferor' shall be treated as referring to his personal representatives or trustees as the case may be.

- 7.2 Save for each 'A' Shareholder, its members, agents or its nominees the following provisions shall apply for the purposes of determining what is a Relevant Event and determining the timing of a Deemed Transfer Notice:

- 7.2.1 In relation to a member who is an individual, 'Relevant Event' means:

7.2.1.1 his bankruptcy;

7.2.1.2 his death;

7.2.1.3 his becoming a Leaver; and/or

7.2.1.4 the happening of any event mentioned in Model Article 18;

unless the holders of a Majority of the 'A' Ordinary Shares notify the Company within 12 months of the matter coming to their attention that such event is not a Relevant Event in relation to that Holder.

- 7.2.2 In relation to a Holder who is an individual or a body corporate, 'Relevant Event' means any arrangement or composition made by him or it with his or its creditors generally.
- 7.2.3 In relation to a Holder who is a body corporate, 'Relevant Event' means:
- 7.2.3.1 the appointment of a receiver, manager, administrative receiver or administrator over the whole or any part of its assets or undertaking; or
 - 7.2.3.2 its entering into liquidation (otherwise than pursuant to a voluntary scheme for the purpose of a *bona fide* scheme of solvent amalgamation or reconstruction); and/or
 - 7.2.3.3 it ceasing to be controlled (as defined in section 1122 of the Corporation Tax Act 2010) by the persons who controlled it at the date of initially becoming a Holder.
- 7.2.4 In relation to a Holder who is a Connected Person with the Company, 'Relevant Event' means his ceasing to be so Connected (and for this purpose a Holder shall, *inter alia*, be deemed to be a Connected Person with the Company if he is a director and/or employee of the Company and/or any subsidiary or subsidiary undertaking thereof).
- 7.3 In the case of a Good Leaver only, a Good Leaver will have the option of retaining a proportion of his shares not being more than 10% of the issued share capital of the Company at the time of the Deemed Transfer Notice. If the Good Leaver is a Good Leaver as a result of death, the person who inherits the shares under his will or (if relevant) on his intestacy shall also have the option of retaining shares equal to not more than 10% of the issued share capital of the Company.
- 7.4 If the Relevant Event shall be the death or bankruptcy of a Holder, and if any of the Transfer Shares (the 'Unsold Shares') which are offered pursuant to the Deemed Transfer Notice shall not be sold to the Holders (or any of them) or any person nominated pursuant to Article 6.15, then after the expiry of the period during which the Unsold Shares might have been purchased by the Holders or any such other person, the person who has become entitled to the Unsold Shares in consequence of the death or bankruptcy of the Holder shall be entitled either to transfer the Unsold Shares to any person in the same manner and subject to the same conditions *mutatis mutandis* as any other Transferor under Article 6.19 except that such transfer may be made to any person and if to any beneficiary under the will of a deceased member, may be for no consideration.

- 7.5 Save for each 'A' Shareholder, its members, agents or nominees, should a Holder or other person entitled to a share at any time attempt to deal with or dispose of the share or any interest therein otherwise than in accordance with these Articles, he shall be deemed to have given a Transfer Notice in respect of such share immediately before such attempt.
- 7.6 Where a Transfer Notice is deemed to have been given under these Articles and the circumstances are such that the Directors are unaware of the facts giving rise to the same, it shall be deemed to have been received by the Directors on the date at which the Directors have actual knowledge of the facts.
- 7.7 The shares the subject of any Deemed Transfer Notice shall be offered for sale in accordance with Article 6 as if they were Transfer Shares in respect of which a Transfer Notice had been given save that:
- 7.7.1 subject to Article 7.8, the price at which the Transfer Shares shall be transferred (the '**Deemed Transfer Price**') shall be the Fair Value;
 - 7.7.2 the provisions of Articles 6.15 and 6.16 shall not apply to a Deemed Transfer Notice and either the Transferor may retain any Transfer Shares for which a purchaser is not found or, with Shareholder Consent, the Transferor may sell all or any of those Transfer Shares to any person at any price per Sale Share which is not less than the Deemed Transfer Price and pending any sale the Transferor shall cease to be entitled to receive notice of or to attend and vote (whether on a show of hands or on a poll) at any general meeting of the Company or to be entitled to receive any further shares issued by way of rights issue (or otherwise) and new shares in the Company may be issued, ranking ahead of or *pari passu* with the Transfer Shares, without the consent of the holder of the Transfer Shares; and
 - 7.7.3 the Transfer Shares shall be sold together with all rights attaching thereto as at the date of the Relevant Event.
- 7.8 The Deemed Transfer Price for any Transfer Shares which are the subject of a Deemed Transfer Notice given as a consequence of a Relevant Event arising due to a holder being a Leaver shall:
- 7.8.1 in the case of a Good Leaver be their Fair Value; and
 - 7.8.2 in the case of a Bad Leaver be their Fair Value or, if less, their Issue Price.
- 7.9 For the purpose of Article 7.2.1.3 the date upon which a Holder becomes a Leaver shall be:

- 7.9.1 where a contract of employment or directorship or consultancy agreement is terminated by the Company by giving notice to the Holder of the termination of the employment or directorship or consultancy, the date of that notice (whether or not a payment is made by the Company in lieu of all or part of the notice period required to be given by the Company in respect of such termination);
- 7.9.2 where a contract of employment or directorship or consultancy agreement is terminated by the employee or the director or the consultant by giving notice to the Company of the termination of the employment or directorship or consultancy, the date of that notice;
- 7.9.3 save as provided in Article 7.9.1 where the Company or employee or consultant wrongfully repudiates the contract of employment or consultancy agreement and the other accepts that the contract of employment or consultancy agreement has been terminated, the date of such acceptance;
- 7.9.4 where a contract of employment or consultancy agreement is terminated under the doctrine of frustration, the date of the frustrating event; and
- 7.9.5 where a contract of employment or directorship or consultancy agreement is terminated for any reason other than in the circumstances set out in Articles 7.9.1 to 7.9.4 (inclusive) above, the date on which the action or event giving rise to the termination occurs.

8. Transfer and transmission of shares

- 8.1 Notwithstanding any other provision of these Articles, the Directors may decline to register the transfer of a share on which the Company has a lien.
- 8.2 Notwithstanding any other provision of these Articles, the Directors may decline to register a transfer unless:
 - 8.2.1 it is lodged at the Office or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - 8.2.2 it is in respect of only one class of shares; and
 - 8.2.3 it is in favour of no more than four transferees.

- 8.3 Notwithstanding any other provision of these Articles, the Directors shall refuse to register a transfer to any infant or bankrupt or to any person of unsound mind.
- 8.4 Save for Permitted Transfers, whilst 'A' Ordinary Shares are in issue there shall be no transfer of Ordinary Shares or 'C' Ordinary Shares unless a Transfer Notice is presented to the Company accompanied by Shareholder Consent.
- 8.5 The Directors shall refuse to register any transfer of a share unless it is *permitted by or is made pursuant to and in accordance with these Articles*.
- 8.6 For the purpose of ensuring that a particular transfer of shares is permitted by or made pursuant to and in accordance with these Articles, the Directors may require the Transferor or the person named as transferee in any transfer lodged for registration to furnish the Company with such information and evidence (including without limitation a declaration pursuant to the Statutory Declarations Act 1835) as the Directors may think necessary or relevant. Failing such information or evidence being furnished to the Directors to their satisfaction within a period of twenty-eight days after a written request addressed to the person or persons concerned, the Directors shall, notwithstanding any other provision of these Articles, be entitled to refuse to register the transfer in question.

9. **Change of Control**

Come Along

- 9.1 If one or more of the Holders holding between them more than 50% of the Voting Shares which include the Holders of the Majority of the 'A' Ordinary Shares for the time being in issue ('**Vendors**') propose to sell the legal or beneficial interest in their entire holdings of shares to a person with whom none of them is a Connected Person, and the Vendors procure that an offer is made by the proposed transferee (or any person or persons acting in concert with it) ('**Offeror**') to the Holder(s) of all other issued Equity Shares to acquire with full title guarantee their entire holdings of Equity Shares (including any Equity Shares pursuant to any options, warrants or other rights to subscribe for Equity Shares which exist at the date the Come Along Notice pursuant to Article 9.2 is given) for the same consideration in all material respects ('**Come Along Offer**'), then the Vendors shall have the right ('**Come Along Right**') to require all of the other Holders of Equity Shares ('**Called Shareholders**') to accept the Come Along Offer in full.
- 9.2 The Come Along Right may be exercised by the Vendors serving written notice to that effect ('**Come Along Notice**') on the Called Shareholders at the same time as, or within 7 days following, the making of the Come Along Offer.

- 9.3 A Come Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer their entire holdings of 'A' Ordinary Shares to the Offeror or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of shares pursuant to acceptance of the Come Along Offer.
- 9.4 If any Called Shareholder fails to accept the Come Along Offer or, having accepted such offer, fails to complete the sale of any of his shares pursuant to the Come Along Offer or otherwise fails to take any action required of him under the terms of the Come Along Offer, the Directors (or any of them) may authorise any person to accept the Come Along Offer on behalf of the Called Shareholder in question or undertake on his behalf any other action required under the terms of the Come Along Offer. In particular (but without limitation) the Directors shall have the same rights as given to them under Article 6.23 and Article 8.6.
- 9.5 Upon any person, following the making of a Come Along Offer, becoming a Holder pursuant to the exercise of a pre-existing option to subscribe for or otherwise acquire Equity Shares in the Company ('**New Holder**'), a Come Along Offer shall be deemed to have been served upon the New Holder forthwith on the same terms as the actual Come Along Offer and the New Holder shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this Article 9 shall apply *mutatis mutandis* to the New Holder save that completion of the sale of such shares shall take place forthwith upon the Come Along Offer being deemed to have been made to the New Holder.

Tag Along

- 9.7 At any time if the effect of any transfer of shares by any Holder ('**Transferor**') would, if completed, result in the transferee together with persons acting in concert or connected with that transferee obtaining a Controlling Interest, the Holder shall procure the making, by the proposed transferee of a Tag Along Offer to all of the other Holders of shares of the Company. Every Holder or recipient of such offer, on receipt of a Tag Along Offer, shall be bound within 28 days of the date of such offer (which date shall be specified therein) either to accept or reject such offer in writing (and in default of so doing shall be deemed to have rejected the offer). Until such Tag Along Offer has been made and completed the Directors shall not sanction the making and registration of the relevant transfer or transfers.

10. **Notice of general meetings**

- 10.1 Every notice convening a general meeting shall:
- 10.1.1 comply with section 325(1) of the Act as to giving information to shareholders relating to their right to appoint proxies; and

10.1.2 be given in accordance with section 308 of the Act, that is in hard copy form, electronic form or by means of a website.

10.2 A notice convening a general meeting (other than an adjourned meeting) must be called by at least 14 days' notice but a general meeting can be called by shorter notice if it is so agreed by a majority in number of the Holders having a right to attend and vote at the meeting being a majority who together hold not less than 90% in nominal value of the shares giving that right. The notice must state the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting.

11. Proceedings at general meetings

11.1 No resolution shall be voted on and no other business shall be transacted at any general meeting of the Company unless a quorum is present when such vote is taken or other business is transacted and no resolution or transaction shall be effective unless a quorum is so present. Two persons, being holders of Equity Shares (at least one of whom must be a holder of 'A' Ordinary Shares) present in person, by proxy or by duly authorised representative (if a corporation), shall be the quorum at any general meeting.

11.2 If a quorum is not present within half an hour from the time appointed for a general meeting or if, during any general meeting, a quorum ceases to be present, the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors (with the consent of the holders of a Majority of 'A' Ordinary Shares) may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for the same the shareholders present shall form a quorum. Model Articles 41(1) to (5) inclusive shall not apply to the Company.

11.3 Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a written resolution every Holder has one vote in respect of each share held by him, on a show of hands every Holder entitled to vote who (being an individual) is present in person or by proxy (not being himself a Holder entitled to vote) or (being a corporation) is present by a representative or proxy (not being himself a Holder entitled to vote) has one vote and, on a poll, each Holder has one vote for each share held by him.

12. Written resolutions

12.1 A written resolution, proposed in accordance with section 288(3) of the Act, will lapse if it is not passed before the end of the period of 28 days beginning with the circulation date.

- 12.2 For the purposes of this Article 12 'circulation date' is the date on which copies of the written resolution are sent or submitted to members or, if copies are sent or submitted on different days, to the first of those days.

13. Votes of members

- 13.1 The Holder(s) of the 'C' Ordinary Shares shall not be entitled to receive notice of, attend or vote at any General Meeting of the Company or on a written resolution of the Company.
- 13.2 Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Holder entitled to vote who (being an individual) is present in person or by proxy (not being himself a Holder entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a Holder entitled to vote) shall have one vote and, on a poll, every Holder shall have one vote for each share of which he is the Holder.
- 13.3 Save for a Holder of 'A' Ordinary Shares, a member shall not be entitled to appoint more than one proxy to attend on the same occasion.

14. Appointment and removal of the Directors

- 14.1 The Company may by ordinary resolution appoint any person who is willing to act to be a director provided always the relevant person has been approved by the Holders of the Majority of the 'A' Ordinary Shares.
- 14.2 The Directors shall not appoint any person as a director of the Company and Model Article 17 shall not apply.
- 14.3 Each 'A' Shareholder may from time to time appoint one person to be a director at any time and may from time to time remove from office any person so appointed and appoint another person in his place. Such appointment and removal shall be effected by a notice in writing signed by or on behalf of the relevant 'A' Shareholder.
- 14.4 Each 'A' Shareholder may from time to time appoint one or more persons to be an observer at directors' meetings and if so appointed the observer and relevant 'A' Shareholder must receive notice of any directors' meeting. The observer(s) may speak at directors' meetings but their capacity as observer(s) carries no vote (although if they are entitled to vote as a director, they may do so). Each 'A' Shareholder may at any time and from time to time remove from office any person so appointed and appoint another person in his place. Such appointment and removal shall be effected by a notice in writing signed by or on behalf of the relevant 'A' Shareholder.
- 14.5 The office of any director shall be vacated if:

14.5.1 he shall, for whatever reason, cease to be employed by the Company or any subsidiary of the Company and he does not remain an employee of any Group Company;

14.5.2 other than in respect of a director appointed by an 'A' Shareholder all the other directors or a Majority of the Holder(s) of the 'A' Ordinary Shares request his resignation in writing at which time he shall be deemed to have immediately resigned;

and the provisions of Model Article 18 shall be extended accordingly.

15. Directors' Remuneration

Model Article 19 shall not apply to the Company and remuneration of Directors shall be determined by the board of Directors whose decision shall be final and binding upon obtaining Shareholder Consent to the decision.

16. Provision for employees on cessation of business

Model Article 51 shall not apply to the Company and the Directors may decide, subject to obtaining Shareholder Consent in respect of any decision, to make provision for the benefit of persons employed or formerly employed by the Company or by any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation of or transfer of that person of the whole or part of the undertaking of the Company or that subsidiary.

17. Director's interests

17.1 Subject to these Articles and the Act, and provided that he has disclosed to the Directors the nature and extent of any interest of his and also he has obtained Shareholder Consent, a director notwithstanding his office:

17.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;

17.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

17.1.3 may or any firm or company of which he is a member or director may act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;

17.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such

transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and

- 17.1.5 shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 17.1.1 to 17.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.
- 17.2 Except for a vote under section 175(4) of the Act authorising any conflict of interest which the director or any other interested director may have or where the terms of authorisation of such conflict of interest provide that the director may not vote in situations prescribed by the Board when granting such authorisation, a director will be entitled to participate in the decision making process for voting and quorum purposes on any of the matters referred to in Articles 17.1.1 to 17.1.4 (inclusive) and in any of the circumstances set out in Model Articles 14(3) and 14(4).
- 17.3 For the purposes of Article 17.1:
 - 17.3.1 a general notice to the Directors that has also been served upon the Holder(s) of the 'A' Ordinary Shares 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;
 - 17.3.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
 - 17.3.3 an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) a Connected Person to a director shall be treated as an interest of the director.
- 17.4 Model Articles 14(1), 14(2) and 14(5) shall not apply to the Company.
- 18. **Participation in Directors' Meetings**
- 18.1 Subject to these Articles, directors participate in a directors' meeting, or part of a directors' meeting, when:
 - 18.1.1 the meeting has been called and takes place in accordance with these Articles; and

- 18.1.2 they can each simultaneously communicate with and to the others participating in the meeting any information or opinions they have on any particular item of the business of the meeting.
- 18.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or, subject to Article 18.1.2, how they communicate with each other.
- 18.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.
- 18.4 Model Article 10 shall not apply to the Company.
- 18.5 Model Article 9(2)(c) shall be amended by the insertion of the word 'simultaneously' after the words 'how it is proposed that they should' and before the words 'communicate with each other during the meeting'.
- 19. Quorum for Directors' Meetings**
- 19.1 The quorum for directors' meetings shall throughout each meeting be one director plus, subject to Article 19.2, the majority of the directors appointed by the 'A' Shareholders (but if there are no such directors appointed then the quorum for a meeting of the directors shall be two), unless:
- 19.1.1 any one or more of the directors appointed by any 'A' Shareholder (or their alternates) gives notice of their non-attendance in writing prior to the commencement of such meeting; or
- 19.1.2 any one or more of the directors appointed by any 'A' Shareholder fails to attend two consecutive directors' meetings and then does not attend the adjourned directors' meeting (provided that such directors' meeting is adjourned for not less than two weeks from the date of the original meeting);
- in which case such adjourned directors' meeting shall stand quorate notwithstanding the absence of the relevant director at any such adjourned directors' meeting, provided that nothing shall alleviate the Company's obligations to observe the provisions of the Subscription Agreement and each subsequent agreement entered into between the Company, the directors and the 'A' Shareholders and there are at least two directors participating in the meeting in question.
- 19.2 In relation to any meeting of the directors to consider whether to authorise a conflict of interest of a director appointed by an 'A' Shareholder:

- 19.2.1 it shall not be necessary for the director appointed by the 'A' Shareholder to be present in person or by proxy in order to constitute a quorum;
 - 19.2.2 the meeting shall not deal with any other business other than the consideration of the conflict of interest of the director appointed by the 'A' Shareholder; and
 - 19.2.3 the quorum for such meeting shall be one and Model Article 11(2) is varied accordingly.
- 19.3 Without prejudice to Article 19.2, if, and as a consequence of section 175(6) of the Act, a director cannot vote or be counted in the quorum at a meeting of the directors the following apply:
- 19.3.1 if the eligible directors participating in the meeting do not constitute a quorum, then the quorum for the purposes of the meeting shall be one which must be, other than a meeting pursuant to Article 19.2, a director appointed by an 'A' Shareholder (if appointed) and Model Article 11(2) is varied accordingly; and
 - 19.3.2 if, notwithstanding Article 19.3.1, the eligible directors participating in the meeting still do not constitute a quorum, then the meeting must be adjourned to enable the Holders of the Majority of the 'A' Ordinary Shares to authorise any situation in which a director has a conflict of interest.

20. Authorisation of Directors' Conflicts Of Interest

- 20.1 Any approval of a conflict of interest (other than a conflict of interest of the director appointed by an 'A' Shareholder) pursuant to Article 19 will be subject, in addition to authorisation by the board of Directors pursuant to section 175 of the Act, to obtaining the prior consent in writing of the Holder(s) of the Majority of the 'A' Ordinary Shares who may specify that certain conditions be attached to such authorisation. Any such board authorisation pursuant to section 175 of the Act which is given without obtaining the prior consent in writing of the Holder(s) of the Majority of the 'A' Ordinary Shares or without such conditions attaching to the authorisation as specified by the Holder(s) of the Majority of the 'A' Ordinary Shares will be ineffective.
- 20.2 Any conflict of interest of a director appointed by an 'A' Shareholder may be authorised either by way of authorisation of the board of Directors as set out at section 175 of the Act or by way of resolution of the holders of the Equity Shares or by the directors of the other 'A' Shareholders who are not subject to the conflict in question (if any) providing their unanimous authorisation. Any refusal or inability of the Directors to authorise such conflict of interest will not in any way affect the validity of

a resolution of the Holder(s) of the Equity Shares to authorise such conflict of interest.

- 20.3 A director appointed by an 'A' Shareholder will not be in breach of his duty under sections 172, 174 and 175 of the Act or the authorisation given by this Article 20 by reason only that he receives confidential information from a third party relating to a conflict of interest which has been authorised by this Article 20 and either fails to disclose it to the Directors or fails to use it in relation to the Company's affairs.

21. Special rights of 'A' Shareholders

- 21.1 The provisions of this Article shall apply so as to override any of the other provisions of these Articles and so as to have effect and remain in force when and for so long as any 'A' Ordinary Shares in the capital of the Company are in issue.

- 21.2 The Company and the Directors shall have no authority (implied or otherwise) to do any of the following listed matters and in order to obtain the necessary authority the Company and the directors shall require Shareholder Consent each time the directors and/or the Company intend to:

21.2.1 alter, increase or reduce or make any other alteration to its issued share capital or purchase, repurchase or redeem its own shares or any of them or otherwise vary its capital structure or establish any share incentive, share option, profit sharing or performance related incentive scheme or grant any option to subscribe for its shares or issue any securities convertible into its shares;

21.2.2 subscribe for, purchase or acquire any shares or interest in any other company or partnership;

21.2.3 alter these Articles;

21.2.4 pass any special resolution;

21.2.5 take any steps to have the Company wound up;

21.2.6 take any steps to appoint an administrator;

21.2.7 take any steps towards proposing a voluntary arrangement with creditors under the Insolvency Act 1986 or any other Act of Parliament concerning such matters including consolidating and amending legislation now or at any time in the future;

21.2.8 borrow or agree to borrow any monies or obtain any advance or credit (other than normal trade credit) which in aggregate at any one time exceeds £30,000;

- 21.2.9 incur any expenditure not provided for in the annual budget of the Company in excess of an amount equal to 20% of the amount budgeted under the relevant budget heading or £20,000 (whichever is the lower);
- 21.2.10 employ any person, terminate any person's employment or make any employee redundant with an annual salary in excess of £30,000 and the altering of any material employment terms thereof;
- 21.2.11 enter into any hire purchase, credit sale, conditional sale or deferred payment agreement (as purchaser) or any leasing agreement (as lessee) if the liability in respect of such agreements in any one accounting period would exceed £30,000;
- 21.2.12 factor or assign or charge or otherwise deal with any of its book debts;
- 21.2.13 create or issue or allow to come into being any encumbrance, mortgage, or charge over the Company or any of its assets;
- 21.2.14 give or provide any guarantee or indemnity (other than in the usual course of trading);
- 21.2.15 sell, transfer or otherwise dispose of any shares or any interest therein;
- 21.2.16 sell, transfer, lease, assign or otherwise dispose of the whole or any material part (meaning in relation to the whole 5 per cent. or more) of its undertaking, property or other assets (whether by one transaction or a series of transactions in any one accounting period whether related or not) other than the sale of current assets in the ordinary course of trading;
- 21.2.17 incur or enter into any commitment to make any capital expenditure in relation to any one item or a series of related items if either the cost exceeds £30,000 or if, as a result, the aggregate amount of such expenditure in one accounting period exceeds £30,000;
- 21.2.18 make any material change (including cessation) in the nature or conduct or scope of its business;
- 21.2.19 make any change in its accounting reference date;
- 21.2.20 change the Auditor or if the Company does not yet have an Auditor, its accountant;
- 21.2.21 change the bankers;

- 21.2.22 save as provided in these Articles, declare or pay any dividend or make any distribution;
 - 21.2.23 agree any increase in the remuneration, pension, benefits in kind or any other variation in the other terms of employment of the Directors or any senior personnel of the Company, or any person Connected with any of them;
 - 21.2.24 enter into a contract, transaction or arrangement with the Directors or any senior personnel of the Company, or any person Connected with any of them;
 - 21.2.25 save as permitted by these Articles approve the transfer of any share in the Company;
 - 21.2.26 other than as permitted in these Articles, appoint or remove any director or appoint any committee of the Board of the Company;
 - 21.2.27 agree any loans to the Directors or any senior personnel of the Company, or any person Connected to them;
 - 21.2.28 change any accounting policy, save as required by law;
 - 21.2.29 commence or settle any litigation or arbitration by the Company other than debt collection by the Company in the ordinary course of trading;
 - 21.2.30 enter into any partnership or joint venture; and
 - 21.2.31 enter into any agreement or arrangement with respect to any of the Company's trade mark, patent or other intellectual property right other than in the ordinary course of trading.
- 21.3 The Company and the Directors shall have no authority (implied or otherwise) to sign any cheques written by the Company for a sum in excess of £2,000 and in order to obtain the necessary authority each time such cheque is required to be signed the Company and the directors shall first obtain the consent of the Approved Director.

22. Company communication provisions

- 22.1 Where a document or information is sent by post to an address in the United Kingdom and the Company is able to show that it was properly addressed, prepaid and posted, it is deemed to have been received by the intended recipient 24 hours after it was posted.
- 22.2 Where a document or information is sent or supplied by electronic means and the Company is able to show that it was properly addressed, it is deemed to have been received by the intended recipient immediately after it was sent.

- 22.3 Where a document or information is sent or supplied by means of a website, it is deemed to have been received by the intended recipient when the material was first made available on the website, or if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website.
- 22.4 Pursuant to section 1147(6) of the Act, subsections (2) (3) and (4) of that section shall be deemed modified by Articles 22.1, 22.2 and 22.3.
- 22.5 Subject to any requirements of the Act only such documents and notices as are specified by the Company may be sent to the Company in electronic form to the address specified by the Company for that purpose and such documents or notices sent to the Company are sufficiently authenticated if the identity of the sender is confirmed in the way the Company has specified.

23. Indemnities for Directors

- 23.1 Subject to, and so far as may be permitted by, the Act and without prejudice to any indemnity to which the person concerned may be otherwise entitled, the Company may indemnify every director, former director, alternate director, secretary or other officer of the Company or of any associated company (as defined in section 256 of the Act) against any liabilities incurred by him in the execution and discharge of his duties or the exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, including any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust in relation to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, secretary or other officer of the Company or of any associated company.
- 23.2 Subject to the Act, the directors may purchase and maintain at the cost of the Company insurance cover for or for the benefit of every director, former director, alternate director, auditor, secretary or other officer of the Company or of any associated company (as defined in section 256 of the Act) against any liability which may attach to him in respect of any negligence, default, breach of duty or breach of trust by him in relation to the Company (or such associated company), including anything done or omitted to be done or alleged to have been done or omitted to be done by him as a director, former director, alternate director, auditor, secretary or other officer of the Company or of any associated company.
- 23.3 Subject to, and so far as may be permitted by, the Act, the Company shall be entitled to fund the expenditure of every director, alternate director or other officer of the Company incurred or to be incurred:
- 23.3.1 in defending any criminal or civil proceedings; or

23.3.2 in connection with any application under sections 661(3) or 661(4) or under section 1157 of the Act.

Model Articles 52 and 53 shall not apply to the Company.

24. Liability of Holders

The liability of Holders is limited to the amount, if any, unpaid on the shares held by them.

25. Registered Office

The Company's registered office is to be situated in England and Wales.