

Company Number 07509859

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

BAG THAT TRADING LIMITED

(Company)

The following resolution was duly passed as a special resolution on **13 Feb**
2014 by way of written resolution under Chapter 2 of Part 13 of the Companies Act
2006.

SPECIAL RESOLUTION

THAT, with effect from the passing of this resolution, the regulations contained in the document attached to this resolution and marked 'A' for the purposes of identification 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 of the Company.


Director

WEDNESDAY



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19/02/2014

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COMPANIES HOUSE

Company No. 07509859

NEW ARTICLES OF ASSOCIATION

of

BAG THAT TRADING LIMITED (the "Company")

(adopted by written resolution passed on **13 FEBRUARY** 2014)

1. PRELIMINARY AND INTERPRETATION

1.1 The regulations contained in The Model Articles shall apply to the Company save insofar as they are excluded or varied hereby or inconsistent with the express terms of these Articles.

1.2 In these regulations the following definitions apply:

"A' Ordinary Share"

means an 'A' ordinary share of £0.01 in the capital of the Company,

"Affiliate"

means any person Controlled by the Company;

"A Majority"

means the holder or holders together from time to time of 75% or more of the 'A' Ordinary Shares then in issue;

"Acts"

has the meaning given in section 2 CA 2006 insofar as the provisions referred to in that section are in force from time to time,

"Articles"

means the articles of association of the Company as amended from time to time;

"Auditors"

means the auditors of the Company from time to time;

"Board"

Means the board of Directors,

"Business"

the business carried on by the Company as at the date of adoption of these Articles,



"Business Day"

means a day other than a Saturday, Sunday or a day on which banks are authorised to close in London;

"CA 2006" or "the Act"

means the Companies Act 2006 as amended from time to time;

"clear days"

means in relation to a period of notice or otherwise, that period excluding the day when the notice or other document is received or deemed to be received and the day for which it is given or on which it is to take effect,

"communication"

includes, but is not limited to, a communication comprising sounds or images or both and a communication effecting a payment;

"Connected Person"

means in relation to a person, any other person:

- (a) who is a connected person (as defined in section 1122 of the Corporation Tax Act 2010) to the first mentioned person; or
- (b) with whom the first mentioned person is acting in concert (as defined in The City Code on Takeovers and Mergers);

"Control"

means, in relation to any entity, the power, direct or indirect, to direct or cause the direction of the management and policies of such entity, whether by contract, ownership of shares, membership of the board of directors, agreement or otherwise and, in any event and without limitation of the foregoing, any entity owning more than 50 per cent. of the voting securities of a second entity shall be deemed to control that second entity. The terms **Controlling** and **Controlled** shall have a corresponding meaning

"Convertible Securities"

means any loan or other securities of the Company which are convertible into or exchangeable for Ordinary Share Capital,

"Director"

means a director of the Company from time to time;

"electronic address"

includes, but is not limited to, any number or address used for the purposes of electronic communications;



"electronic communication"

means a communication transmitted (whether from one person to another, from one device to another or from a person to a device or vice versa)

- (a) by means of a telecommunication system (within the meaning of the Telecommunications Act 1984); or
- (b) by other means but while in an electronic form,

"executed"

includes, but is not limited to, signed, sealed or authenticated in some other way;

"Family Member"

means, in relation to a Member who is an individual, his or her spouse, or any of his or her children who are at least 18 years old,

"Family Trust"

in relation to an individual Member, a trust or settlement set up wholly for the benefit of that individual Member and/or any Family Members;

"Good Leaver"

means a Member who is an employee, Director or consultant of the Company and who ceases either to be involved actively in the day to day operations of the Company for a period of three months or who ceases to be an employee, Director or consultant of the Company at any time following the date of adoption of these Articles and does not continue as either an employee, Director or consultant of the Company and such cessation occurs for one of the following reasons:

- (a) death,
- (b) permanent incapacity due to illness or disablement (whether physical or mental);
- (c) retirement at or after normal retirement age (being 65 at the date of adoption of these Articles),
- (d) redundancy,
- (e) any unlawful termination by the Company of a Member's contract of employment, service or consultancy agreement for these purposes being (i) unfair dismissal (on substantive as opposed to procedural grounds) or (ii) termination of employment in circumstances amounting to constructive dismissal; or
- (f) any other reason where the board resolves, with the prior written consent of the the Investor Director (if appointed), that such Member shall be treated as a Good Leaver.



"Group"

means, in respect of any company, each holding company for the time being of that company and all the subsidiaries for the time being of any one of them

"Group Company"

means the Company and any subsidiaries for the time being of the Company or any unincorporated body (including any fund, partnership or limited partnership) in which the Company holds an equity interest for the time being, in each case including any non-English law equivalent entity, whether such entity is registered or has its principal place of business in England and Wales or elsewhere

"holder"

means in relation to a share, the Member whose name is entered in the register of Members as the holder of that share;

"Investors"

The Oxford Funds and any co-investors introduced prior to the date of adoption of these Articles or subsequently with the prior written consent of the Investor Director and the remaining board of Directors;

"Investor Director"

means a Director appointed pursuant to **Article 11.3**;

"Investor Director Consent"

means with the prior written consent of the Investor Director in office at the relevant time,

"Members"

the shareholders of the Company from time to time, and a Member shall be construed accordingly,

"Model Articles"

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

"office"

means the registered office of the Company from time to time;

"Ordinary Share"

means an ordinary share of £0.01 in the capital of the Company, and not being an 'A' Ordinary Share;



"Ordinary Share Capital"

means together the issued Ordinary Shares and 'A' Ordinary Shares,

"Oxford Capital Partners"

means Oxford Capital Partners Limited;

"Oxford Fund Investor"

means any person who has an investment in any Oxford Fund and thereby becomes a member of any Oxford Fund or is a member of the investors' committee of any Oxford Fund from time to time;

"Oxford Funds"

means any funds whether constituted as approved or unapproved EIS funds, limited partnerships, limited liability partnerships or otherwise in each case managed or advised by Oxford Capital Partners that have an interest in Shares from time to time or, as the context requires, in the future invests in Shares,

"Oxford Investors"

means the Oxford Funds and any co-investors introduced by the Oxford Funds or Oxford Capital Partners prior to the date of adoption of these Articles or subsequently with the prior written consent of the Investor Director and the remaining board of Directors,

"Permitted Transferee"

means any person holding shares as a result of a transfer permitted pursuant to **Article 6.2**;

"Sale"

means the making of one or more agreements (whether conditional or not but which agreement(s) become(s) unconditional) for the disposal, transfer, purchase, subscription or renunciation of any part of the Share capital of the Company giving rise to a change of Control and for the purposes of this definition **disposal** shall mean a sale, transfer, assignment or other disposition whereby a person ceases to be the absolute beneficial owner of the Share in question or of voting rights attached thereto or an agreement to enter into such disposal or the grant of a right to compel entry into such an agreement,

"secretary"

means 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;

"Share Option Plan"

means any share option plan established by the Company,



"United Kingdom"

means Great Britain and Northern Ireland; and

"Valuer"

shall have the meaning set out in **Article 6 3 2**;

- 1.3 In the Articles, unless the context otherwise requires:
 - 1 3 1 references to persons include references to natural persons and corporations;
 - 1.3 2 words and expressions defined in the Act shall bear the same meaning in the Articles and in the regulations of the Model Articles that apply to the Company (but excluding any statutory modification of the Act not in force at the date of adoption of the Articles and words and expressions expressly defined in the Articles),
 - 1.3.3 "Investor Consent" means the prior approval in writing of each of the Investor Directors, or the prior approval of each of the Investor Directors to the specific matter in question given at a properly convened meeting of the Board, and
 - 1 3.4 writing shall include any method of reproducing words in a legible and permanent form.
- 1.4 In the Articles.
 - 1 4 1 the headings are for convenience only and do not affect the construction of the Articles;
 - 1.4.2 words denoting the singular include the plural and vice versa, and
 - 1.4.3 words denoting one gender include each gender and all genders.
- 1 5 Where an ordinary resolution of the Company is required for any purpose, a special resolution is also effective for that purpose

2. PRIVATE COMPANY

The Company is a private company within the meaning of the Acts and accordingly no shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

3. SHARE CAPITAL

- 3.1 The share capital of the Company at the date of adoption of these Articles is divided into Ordinary Shares of £0 01 each and 'A' Ordinary Shares of £0 01 each



- 3.2 The Ordinary Shares and 'A' Ordinary Shares shall constitute separate classes of shares but save as expressly provided in these Articles, shall rank *pari passu* in all respects.

4. ALLOTMENT OF SHARES

- 4.1 Save as provided in **Article 4.5**, all shares of any class which the Directors propose to issue shall first be offered to all the Members of the Company as at the date of the offer, in proportion as nearly as may be in number to their existing shareholding, unless the Company in general meeting by special resolution otherwise directs (and for this purpose 'A' Ordinary Shares and Ordinary Shares are treated as one class) or the holders together holding not less than 75% in nominal value of the Ordinary Share Capital consent in writing.
- 4.1 1 Notice of the Company's intention to issue shares given to the Members under **Article 4.1** shall be in writing and shall specify the number of shares which the Company intends to issue, the subscription price to be paid, and the period for which the offer shall remain open (which shall in any event be not less than twenty one days from the date of receipt of the notice) The notice shall invite the Member to state in writing within the offer period whether he is willing to subscribe for any and, if so, what maximum number of the shares proposed to be issued by the Company.
- 4 1 2 If, within the stated offer period, Members express their willingness together to subscribe for all of the shares subject to the notice, the Directors shall give such Members written notice thereof and within 14 days thereafter shall proceed to allocate the relevant number of shares among those Members pro rata, as nearly as practicable, to the nominal amount of their existing holdings of shares. If this would otherwise result in allocating to one or more Members a number of shares exceeding their maximum request, then the surplus shares shall be redistributed among such other Members who shall have expressed their willingness to subscribe for such shares pro rata, as nearly as practicable, to the nominal amount of their holdings of shares immediately prior to such allocation, but only up to the amount of their respective requests and this procedure shall be repeated until all the shares the subject of the notice have been allocated.
- 4 1 3 If, after the expiry of the offer period, any number of shares which are the subject of the notice shall not have been accepted in full, they shall be applied in proportion as nearly as may be to the number of existing shares held by each Member who made a request for additional shares pursuant to **Article 4.1.1** in accordance with **Article 4 1.2**
- 4.1.4 An offer not accepted in writing and received by the Company during the time for which the offer is stated to remain open, shall be deemed to have been declined.
- 4.2 Any shares not accepted pursuant to **Article 4.1.2**, any balance of shares which cannot be offered to existing Members under **Article 4.1.2** and/or **Article 4.1.3** without fractions resulting, or any shares removed from the provisions of **Article 4.1** by special resolution of the Company, shall be under the control of the Directors who may dispose of the shares to such persons and on such terms



as they think fit, subject only to the fact that in relation to shares previously offered pursuant to **Article 4.1**, such shares shall not be disposed of on terms more favourable than the terms on which they had been offered to the existing Members.

- 4.3 Within seven days after the completion of the entirety of the processes mentioned in **Article 4.1** and, as the case may be, **Article 4.2** above, the Company shall, subject to receipt of the subscription monies in respect thereof, issue and allot to the relevant Members the shares subject to the notice, and/or to such persons approved in accordance with **Article 4.2** above
- 4.4 Save as set out in **Article 4.5** below, the provisions of **Article 4.1** shall apply to the grant or allotment by the Company of any right or entitlement by way of option, convertible instrument or otherwise, to subscribe at any future date for shares of any class ("**Rights**") so that the Members shall be offered the same pre-emptive rights to acquire such Rights as if they constituted an offer to subscribe immediately for the shares to be issued on exercise of such Rights under **Article 4.1**. **Article 4.1** shall not apply thereafter to any shares issued on the exercise of any Rights previously offered as contemplated by this **Article 4.4**.
- 4.5 For the avoidance of doubt, the provisions of **Article 4.1** shall not apply to the grant or exercise of options over shares comprising the Share Option Plan
- 4.6 The Directors are generally and unconditionally authorised for the purposes of section 551 of the Act to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company on such terms and in such manner as they think fit up to an aggregate nominal amount of shares of £50,000.00 Such authority shall expire five years from the date of adoption of these Articles, and shall be on terms that the Company may make offer or agreement before the expiry of this authority which would or might require shares to be allotted or the rights to be granted after this authority has expired, and so that the Directors may allot shares or grant the rights in pursuance of any such offer or agreement. Such authority may at any time (subject to section 551 of the Act) be renewed, revoked or varied by an ordinary resolution of the Company. The Directors' authority under **Article 4.7** is subject to **Article 4**.
- 4.7 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 4.8 Subject to the Acts and without prejudice to this **Article 4** the Company may:
- 4.8.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as may be provided by the Articles;
- 4.8.2 purchase its own shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be approved by such resolution as is required by the Acts; and



4.8.3 to the extent permitted by the Act, make a payment in respect of the redemption or purchase of any of its shares (including any redeemable shares) otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares

4.9 Any shares offered under this **Article 4** to any of the Oxford Funds (or any nominee holding shares for any of them) may be taken up by any other Oxford Fund whether or not it is then an existing shareholder

5. CONVERSION OF A ORDINARY SHARES

5.1 Any holder of 'A' Ordinary Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all or any 'A' Ordinary Shares held by them at any time at the rate of one Ordinary Share for each one 'A' Ordinary Share.

6. TRANSFER AND TRANSMISSION OF SHARES

PRE-EMPTION ON TRANSFER

6.1 Subject to the provisions of these Articles, if at any time a Member of the Company desires to transfer either the legal or beneficial interest in any shares in any class held by him in the capital of the Company ("**Vendor**") to a bona fide arms length unconnected third party purchaser (the "**Purchaser**"), he shall give notice in writing to the Directors, at the Company's registered address, (a "**Transfer Notice**") of such desire and stating the number of shares in respect of which the Vendor desires to effect such transfer, the price per share and all other applicable material terms. A Transfer Notice shall be irrevocable save with Investor Consent. For this purpose 'A' Ordinary Shares and Ordinary Shares are treated as one class.

6.1.1 A Transfer Notice shall constitute the Directors the Vendor's agent for the sale of the shares, in the manner provided by this Article, to which the Transfer Notice relates at the price agreed between the Vendor and the Purchaser.

6.1.2 Within seven days after receipt of the Transfer Notice the Directors shall give notice in writing to each of the Shareholders (other than the Vendor) of the number and price of the shares which the Vendor desires to transfer with details of the other applicable material terms and shall invite each of them to state in writing within 21 days after the date of the notice whether he is willing to purchase any and, if so, what maximum number of the said shares.

6.1.3 If, within the period of 21 days mentioned in **Article 6.1.2** above, the Shareholders who have received an offer under **Article 6.1.2** above have expressed their willingness together to purchase all of the shares the subject of notice, the Directors shall give the Vendor written notice of such and within 14 days thereafter shall proceed to allocate the relevant shares among those Shareholders pro rata to the nominal amount of their existing holding of shares. If this would otherwise result in allocating to one or more Shareholders a number of shares exceeding their requests, then the surplus shares shall be



redistributed among such other Shareholders who have expressed a willingness to purchase the shares pro rata, as nearly as practicable, to the nominal amount of their holdings of shares, but only up to the amount of their respective requests, and this procedure shall be repeated until all the shares the subject of such notice have been distributed.

6.1 4 As soon as any allocation has been made pursuant to **Article 6 1.3** above, the Vendor shall be bound, upon payment of the applicable price, to transfer the relevant shares to the purchaser or respective purchasers thereof, and, if he shall make default in so doing, the Directors shall receive and give good discharge for the purchase money on behalf of the Vendor and shall authorise some person (who shall be deemed to be the attorney of the Vendor for that purpose) to execute in favour of the purchaser or respective purchasers a transfer of the shares allocated to him or them

6.1.5 If, after the expiration of the period of 21 days mentioned in **Article 6.1.2** above.

- (a) the relevant Members shall have expressed their willingness to purchase part only of the shares the subject of the Transfer Notice; or
- (b) no such Member shall have expressed his willingness to purchase any of those shares, or
- (c) through no fault of the Vendor's (or the Vendor's deemed attorney) the purchase or the purchases are not completed within 14 days after the expiry of such 21 day period,

then for a period of 21 days the Vendor may transfer such shares to which the Transfer Notice relates to the Purchaser identified in the Transfer Notice on terms (including, but not limited to price) no more favourable than those set out in the Transfer Notice.

PERMITTED TRANSFERS

6.2 The pre-emptive provisions of **Article 6.1** shall not apply:

6.2.1 to any transfer by any of the Investors, or their respective nominees, of any Ordinary Share Capital held by any of them.

- (a) to any other holder of 'A' Ordinary Shares, or
- (b) where such holder of 'A' Ordinary Shares is an Oxford Fund or a nominee holding shares on behalf of an Oxford Fund, or another investment fund (or its nominee or custodian), to:
 - (i) any other investment fund which is managed or advised by the fund manager of such shareholder, or to any of such fund manager's subsidiary or holding companies from time to time (including any subsidiary of its holding company), or in the case of an Oxford Fund a transfer by it to an Oxford Fund Investor; or
 - (ii) to any person, company or fund whose business consists of holding securities for investment purposes or to any other nominee, trustee or custodian for any such person; or



- 6.2.2 subject to the prior approval of the Board to such transfer (which shall not be unreasonably withheld or delayed), to any transfer by a Member who is an individual to a Family Member or Family Trust.

OTHER TRANSFER PROVISIONS

- 6.3 The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register a transfer of any share which has not been transferred in accordance with these Articles (unless the relevant Article has been waived by the Managers) whether or not it is a fully paid share. The Directors may also refuse to register a transfer unless the instrument of transfer:
- 6.3.1 is delivered to the office or such other place as the Directors may decide and is accompanied by the certificate for the shares to be transferred and such other evidence as the Directors may reasonably require to prove the title of the transferor and the execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so;
- 6.3.2 is in respect of only one class of shares;
- 6.3.3 is in favour of not more than four transferees, and
- 6.3.4 is duly stamped (if required).
- 6.4 No share shall be transferred to any infant, bankrupt or person with mental disorder.
- 6.5 Any shares offered under **Article 6** to any of the Oxford Funds, or to any nominee holding shares for them, may be acquired by any Oxford Fund which wishes to acquire them whether or not it is then an existing shareholder.

7. TAG ALONG RIGHTS

- 7.1 No sale or transfer of the legal or beneficial interest in any shares in the Ordinary Share Capital shall be permitted if the result of such transfer would, if made and registered in a person whether or not then a Member of the Company, cause that person to have an interest in the aggregate of 70% or more of the total voting rights conferred by the Ordinary Share Capital ("**Significant Interest**") unless, prior to the transfer of the Significant Interest being presented to the Company for registration, the proposed transferee has made an offer to purchase all of the other shares in issue the Company ("**Tag Along Offer**"), which shall be delivered to all of the other holders of shares in the Company and shall:
- 7.1.1 be in writing;
- 7.1.2 specify the Offer Price (as defined below) for the shares;
- 7.1.3 state that the offer is to be open for 21 days from receipt, and
- 7.1.4 oblige the holders to whom the Tag Along Offer is made to accept or reject the offer by notice in writing during such period (failing which the offer shall be deemed to be rejected).



- 7.1.5 **"Offer Price"** means such price per share as is equal to at least that offered in relation to the proposed transfer of Significant Interest plus an amount equal to the relevant proportion of any other consideration, whether in cash or not, received or receivable by the transferor or transferors of the proposed transfer of the Significant Interest, which can be reasonably attributed as additional consideration for the shares comprised in the Significant Interest.
- 7.1.6 Except where due entirely to the fault of an offeree under this **Article 7**, the transfer of the Significant Interest shall not be registered by the Company until the transfer by every holder having accepted the Tag Along Offer under this **Article 7** has been completed and the agreed Offer Price paid to that holder
- 7.1.7 The Tag Along Notice will lapse if there is no transfer of the Significant Interest within 60 days of the date of the service of the Tag Along Notice.
- 7.1.8 The provisions in this Article 7 shall not apply where a Drag Along Notice has been served in accordance with Article 8.1.

8. DRAG ALONG RIGHTS

- 8.1 If at any time a bona fide arm's length offer from a third party ("**Third Party Purchaser**") is made to and accepted by the holders of at least 70% of the issued share capital of the Company (the "**Selling Shareholders**") the Selling Shareholders shall be entitled to serve a notice in writing on all the remaining shareholders and all other persons whether or not Members who at the date of such notice have rights whether or not contingent granted by the Company to acquire shares in the Company (the "**Minority Shareholders**") requiring that each Minority Shareholder sell and transfer all of his shares in the Company including any shares which become registered in the name of Minority Shareholders before the date specified by the Company to the Third Party Purchaser ("**Drag Along Notice**"), which notice:
- 8.1.1 shall (subject to **Article 8.2**) be served not less than 14 days prior to the expected date of transfer of the Selling Shareholders' shares to the Third Party Purchaser;
- 8.1.2 shall state that each Minority Shareholder is required to transfer all of their shares in the Company;
- 8.1.3 shall identify the Third Party Purchaser to whom the shares are to be transferred;
- 8.1.4 shall state the proposed date of the transfer; and
- 8.1.5 shall state the Offer Price.
- 8.2 Completion of the sale of the Minority Shareholders' shares will take place on the same date as the sale of the Selling Shareholders' shares unless such date is less than 14 days following receipt by the Minority Shareholders of the Drag Along Notice.
- 8.3 Each Minority Shareholder shall execute all necessary transfer(s) to the Third Party Purchaser as the Third Party Purchaser may direct and any Minority



Shareholder failing to do so shall be deemed to have appointed and authorised the Company as his attorney to execute such documents on his behalf to effect the transfer to the Third Party Purchaser and, against receipt by the Company as trustee of the consideration payable, the Company shall duly register the Third Party Purchaser as the holder of the shares.

- 8.4 For the avoidance of doubt, the rights of pre-emption set out in **Article 6.1** shall not arise on the transfer of shares pursuant to a Drag Along Notice duly served under this **Article 8**.
- 8.5 The provisions of this Article 8 shall also apply to any shares in the Company acquired on the exercise of any option within 90 days of the date of completion of the sale by the Selling Shareholders to the Third Party Purchaser and the option holder may be required to transfer such shares within 14 days of allotment and in default Article 8.4 shall apply

9. VARIATION OF RIGHTS

- 9.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class may, subject to the Act, be modified, varied or abrogated with the consent in writing (other than consent contained in an electronic communication) of the holder or holders of at least three fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class
- 9.2 To every such separate general meeting the provisions of the Articles relating to general meetings shall apply, except that the quorum shall be (where all the shares of that class are held by one person) that person and (in any other case) two persons, present in person or by proxy, holding or representing by proxy at least one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy and entitled to vote at the meeting may demand a poll.
- 9.3 The rights attached to any class of shares are not, unless otherwise expressly provided by the rights attaching to the shares of that class, be deemed to be varied by the creation or issue of further shares ranking equally with them.

10. DIRECTORS

- 10.1 Subject to the provisions of any shareholders' agreement from time to time, the number of the Directors shall be not less than two and no more than five.
- 10.2 If and for so long as the board of Directors shall consist of an even number of Directors (but not otherwise), the chairman of the board of Directors shall have a second, casting vote in the case of an equal number of votes cast for and against a resolution
- 10.3 Any Director who performs any services which in the opinion of the Directors go beyond the ordinary duties of a Director may be paid such extra remuneration



(whether by way of salary, commission, participation in profits or otherwise) as the Board may determine and such remuneration shall be in addition to any remuneration provided for or by or pursuant to any other Article or otherwise.

11. APPOINTMENT AND RETIREMENT OF DIRECTORS

- 11.1 The Directors shall not retire by rotation.
- 11 2 The Directors may appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional Director provided that:
 - 11.2.1 the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.
- 11 3 Whilst the Oxford Investors are a holder of 10% or more of the issued Ordinary Share Capital, the Oxford Funds (on behalf of the Oxford Investors) are jointly entitled, but not obliged, to appoint one Director to the Board and to remove and re-appoint a Director in his place in each case by joint notice to the Company.
- 11.4 In addition to the appointment of any Director pursuant to **Article 11 3**, the Oxford Funds (on behalf of the Oxford Investors), whilst the Oxford Investors are a holder of less than 10% or more of the issued Ordinary Share Capital, shall be jointly entitled to appoint an observer who shall be entitled to attend meetings of the Board, table items for discussion, speak at meetings of the Board but will not be entitled to vote.
- 11 5 In addition to the right of the Oxford Funds (on behalf of the Oxford Investors) to appoint an observer under **Article 11 4**, the Company may allow an additional observer who shall be entitled to attend meetings of the Board, table items for discussion, speak at meetings of the Board but will not be entitled to vote.

12. DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 12.1 The office of a Director shall be vacated if
 - 12 1.1 he ceases to be a Director by virtue of the Acts or he becomes prohibited by law from being a Director; or
 - 12.1.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - 12.1.3 he is a person with mental disorder; or
 - 12 1.4 he resigns his office by notice in writing sent to the Company, or
 - 12 1.5 he is removed from office under the Act or by special resolution of the Company; or
 - 12.1.6 he is absent from meetings of the Directors for six successive months without permission of the Directors and his alternate director (if any) shall not have attended in his place and the Directors resolve that his office be vacated



- 12.2 No person shall be disqualified from being or becoming a Director of the Company by reason of his attaining or having attained the age of 70 years or any other age
- 12.3 For the purposes of **Article** 12.1 a "person with mental disorder" means a person who is, or may be, suffering from mental disorder and either:
- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his property or affairs.

13. CONFLICTS OF INTEREST

- 13.1 Subject to and in accordance with the Act and subject to **Article** 13 5:
- 13.1.1 the Directors may authorise any matter or situation in which a Director (the "Conflicted Director") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "Conflict Situation");
- 13.1.2 any authorisation given in accordance with this **Article** 13 may be made on such terms and subject to such conditions and/or limitations as the Directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested Director from certain Board meetings, withholding from him or them certain Board or other papers and/or denying him or them access to certain confidential Company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- 13.1 3 in considering any request for authorisation in respect of a Conflict Situation, the Directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation.
- 13.2 Where a Director is or becomes subject to one or more Conflict Situations as a result of him having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position in, or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company, such Conflict Situation(s) shall not require authorisation under the provisions of **Article** 13.1 For the purpose of



this **Article 13.2**, "Group Company" means any subsidiary and subsidiary undertaking of the Company, any parent undertaking of the Company and any of its subsidiaries or subsidiary undertakings (as such terms are defined in the Act).

- 13.3 If any Conflict Situation is authorised or otherwise permitted under these Articles, the Conflicted Director (for long as he reasonably believes such Conflict Situation subsists)
- 13.3.1 shall not be required to disclose to the Company (including the Board or any committee of it) any confidential information relating to such Conflict Situation which he obtains or has obtained otherwise than in his capacity as a Director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person in relation to such matter, office, employment or position;
- 13.3.2 shall be entitled to attend or absent himself from all or any meetings of the Board (or any committee of it) at which anything relating to such Conflict Situation will or may be discussed, and
- 13.3.3 shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, Board papers (or those of any committee of it)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his behalf, and in so doing, such Conflicted Director shall not be in breach of any general duty he owes to the Company pursuant to sections 171 to 177 (inclusive), Act and the provisions of this **Article 13** shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.
- 13.4 Where a Conflict Situation has been authorised or is otherwise permitted under these Articles:
- 13.4.1 the Conflicted Director shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any matter, office, employment or position which relates to such Conflict Situation,
- 13.4.2 no contract, arrangement, transaction or proposal shall be avoided on the grounds of the Conflicted Director having any interest in the Conflict Situation or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit, and
- 13.4.3 the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in section 176, of the Act, provided the Conflicted Director has disclosed the nature and extent of his interest in the Conflict Situation to the other Directors
- 13.5 For the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that an Investor Director may be or become



subject to a Conflict Situation or Conflict Situations as a result of his also being or having been or being party to an agreement or arrangement or understanding or circumstances under which he may become an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or a director or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following:

- (a) an Investor; and/or
- (b) any Investor affiliate, which for these purposes means any person who or which, as regards any Investor or any other Investor affiliate of that Investor
 - (i) is a member for the time being of the same group as the Investor or an associated company; and/or
 - (ii) is an investment manager or investment adviser to or of it and/or another Investor affiliate; and/or
 - (iii) is a Person in which the Investor and/or any Investor affiliated may have or acquire a direct or indirect economic interest, including without limitation any portfolio company investee, and/or
 - (iv) controls or is controlled, managed, advised (in an investment adviser capacity) or promoted by the Investor and/or such Investor affiliate, and/or
 - (v) a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it and/or that Investor affiliate, and/or
- (c) any carried interest or similar incentive arrangement associated with any Person or arrangement referred to above,

where for these purposes "Person" shall mean any individual, body corporate, fund, trust, partnership or other entity whether or not having separate legal status.

13.6 An Investor Director's duties to the Company arising from his holding office as Director shall not be breached or infringed as a result of any Conflict Situation envisaged by **Article** 13.2 and he shall be entitled to:

- (a) receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meeting relating in any way to, and deal generally with, matters concerning, connected with or arising from the Conflict Situation concerned, and
- (b) keep confidential and not disclose to the Company any information which comes into his possession as a result of such Conflict Situation where such information is confidential as regards any third party.



14. PROCEEDINGS OF DIRECTORS

- 14.1 Subject to the Articles, the Directors may regulate their proceedings as they think fit. A Director may, and on the request of a Director the secretary shall, call a meeting of the Directors. It shall be necessary to send a notice of a meeting of the Directors to all the Directors and notice is treated as duly given to a Director if it is given to him personally or by word of mouth or sent to him by whatever means at his last known address or at another address or an electronic address from time to time notified by him to the Company for this purpose. A Director may waive the requirement that notice be sent to him of a Board meeting either prospectively or retrospectively. It shall not be necessary to send notice of a meeting of the Directors to any Director absent from the United Kingdom save in any case where such absent Director leaves an address (either inside or outside the United Kingdom) or an electronic address for the purpose in which case a notice sent to that address or contained in an electronic communication sent to such electronic address shall be deemed to constitute notice to the Director at the time when it is sent. Provided that a meeting is quorate pursuant to **Article 14.2** below, neither the accidental failure to send notice of a meeting of the Directors to any Director nor the non-receipt in any case of such notice if sent shall invalidate the meeting or any resolution passed or business transacted at the meeting.
- 14.2 Subject to the matters set out in this **Article 14.2**, the quorum for the transaction of the business of the Directors shall be two (except where one Director only is in office). A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. When one Director only is in office he shall have and may exercise all the powers and authorities in and over the affairs of the Company as are conferred on the Directors by the Articles.
- 14.3 Subject to the provisions of **Article 15**, any matters to be arising and to be decided at a meeting of the Directors shall be decided by a majority of votes
- 14.4 Subject to the provisions of **Article 15**, any resolution in writing executed by or on behalf of all the Directors (including a sole Director) entitled to receive notice of a meeting of Directors or of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of Directors or (as the case may be) a committee of Directors duly convened and held and may be contained in one document or in several documents in the same form each executed by one or more Directors; but a resolution executed by an alternate director need not also be executed by his appointor and, if it is executed by a Director who has appointed an alternate director, it need not be executed by the alternate director in that capacity.
- 14.5 A Director may participate in a meeting of the Directors or (as the case may be) a committee of Directors through the medium of a telephone conference or video conference or similar form of communication equipment notwithstanding that the persons participating may not all be meeting in one place if all those participating can hear and speak to each other throughout the meeting. A Director participating in this way is deemed to be present in person at the meeting and is counted in the quorum and entitled to vote. A resolution passed



by the Directors at such a meeting shall be as valid as it would have been if passed at an actual meeting duly convened and held

15. INVESTOR CONSENTS

- 15.1 Notwithstanding the provisions of these Articles, whilst the Oxford Investors or their respective nominees are holders of 10% or more of the Ordinary Share Capital no action shall be taken in relation to any of the matters referred to below without Investor Director Consent (and in the case of those matters marked with an asterisk only, such consent not to be unreasonably withheld or delayed).
- 15.2 The matters referred to in **Article 15.1** are:
- 15.2.1 Any alteration to the share structure or alteration of any of the rights, preferences or privileges attaching to any of the share capital.
 - 15.2.2 Any alteration or amendment to the memorandum or articles of association of the Company
 - 15.2.3 Any alteration of the authorised or issued share capital of the Company including any authorisation or issue of securities, grant of any option or rights to subscribe for or convert into or call for the issue of any securities.
 - 15.2.4 *The declaration or payment of any dividends or other distributions upon any of the Company's securities *
 - 15.2.5 Any redemption, purchase or other acquisition of any of the Company's securities
 - 15.2.6 The liquidation, dissolution or taking of any other steps to effect a recapitalisation or reorganisation of the Company.
 - 15.2.7 *The appointment of any director of the Company taking the Company beyond any maximum number of directors specified in the Articles or the removal of the Investor Director.*
 - 15.2.8 The merger or consolidation of the Company, or the sale or lease of all or any substantial asset(s) or portion of its asset(s).
 - 15.2.9 The disposal or acquisition of any significant asset (whether tangible or intangible) or undertaking of any stock or assets with a purchase price higher than £50,000.
 - 15.2.10 *The entry into or varying of any unusual or onerous contract or any other material or major or long term contract *
 - 15.2.11 The entry into, termination or variation of any joint venture, partnership consortium or other similar arrangement.
 - 15.2.12 Any material change to the Business or the manner in which the Business and operations of the Company are managed and carried on
 - 15.2.13 Any alteration of the accounting reference date or change to the accounting policies other than as required by law or pursuant to changes in UK GAAP.



- 15.2.14 Entry into or amendment of any significant transaction with any of the Company's executive directors, employees, Affiliates or parties to any agreements between the shareholders of the Company from time to time and for these purposes a "significant transaction" means one in which the Company is liable to pay or could become liable to pay any amount not provided for in any annual budget adopted by the Company from time to time, or where such matter has been provided for in such budget, any expenditure in excess of 15% above the amount provided in the Budget.
- 15.2.15 The delegation for consideration or otherwise of any matter restricted by this article to a committee of directors.
- 15.2.16 The incurring of any indebtedness for borrowed money, including by way of lease finance, of more than £50,000 in aggregate.
- 15.2.17 The incurring of any capital expenditure (as defined by UK GAAP) of more than £25,000 in aggregate during any period of three calendar months if such expenditure has not been provided for in any annual budget adopted by the Company from time to time, or where such expenditure has been provided for in such budget, the amount agreed or approved in plus 15%.
- 15.2.18 *The entry into of any lease or licence of any property outside the ordinary course of business.*
- 15.2.19 *The incorporation of any new subsidiary.*
- 15.2.20 The acquisition of any share or interest in any other company, partnership or body.
- 15.2.21 *The instigation, defence or settlement of any litigation proceedings or dispute save for debt collection in the ordinary course of business.*
- 15.2.22 The establishment or variation of the terms of any pension scheme, equity bonus, profit-sharing, share option or other remuneration incentive scheme save for any commission scheme for staff.
- 15.2.23 *The establishment or variation of the terms of any non-equity bonus arrangement.*
- 15.2.24 The making of any loans or entry into other forms of credit (other than credit given in the normal course of trading).
- 15.2.25 The entry into any factoring arrangements in respect of any future or existing debts
- 15.2.26 The assignment, sale, pledge as security interest or licensing of any intellectual property rights owned or used by the Company save for the licensing in from third parties of intellectual property rights in the ordinary course of business.
- 15.2.27 The taking of any formal steps in pursuance of or the entry into any contractual arrangement relating to a proposed sale or listing.
- 15.2.28 The granting, awarding or disposal of any rights, whether registered or not, relating to the Company, the Business, its brand or the intellectual property rights of the Company, except in the ordinary course of business and on a non-exclusive basis



- 15.2.29 The repayment of any amount outstanding as payable to the Directors other than pursuant to a service agreement or non-equity remuneration incentive scheme approved by Oxford Capital Partners.
- 15.2.30 *The giving of any guarantee or indemnity other than in the ordinary course of business, or the entry into any contract or transaction with any member of the Company or any company, firm or entity in whom any member of the Company is interested otherwise than on an arm's length commercial basis.*
- 15.2.31 *The taking place or entry into of any transactions, arrangements or agreements (whether of a trading nature or otherwise) other than on a full and commercial arm's length basis *
- 15 2.32 The taking of any steps to negotiate, compromise, settle or otherwise dispose of any claims that could reasonably have a negative impact on the reputation or goodwill of any Member holding more than 10% of the issued share capital of the Company or any member of its Group other than any claim or proceedings brought or intended to be brought by a Group Company to protect or enforce any rights that that Group Company has against that Member or any member of its Group.
- 15 2.33 The taking of any steps to seek a Listing and for these purposes a Listing means either. (a) the admission by the UK Listing Authority to listing, together with admission by the London Stock Exchange to trading, on the Official List of any of the Shares, and such admission becoming effective, (b) the admission by the London Stock Exchange of any of the Shares to trading on AIM, and such admission becoming effective, or (c) any equivalent admission to any other Recognised Investment Exchange (which shall have the meaning ascribed to it in section 285(1)(a) of the Financial Services and Markets Act 2000) becoming unconditionally effective in relation to any of the shares in the capital of the Company.
- 15.2 34 Appoint or remove or make any change to the remuneration or terms of employment or engagement of any Director or employee of any Group Company who, either before or after such change, has a remuneration package of more than £50,000 per annum.
- 15.2.35 Procuring that any expansion, development or evolution of the Company's business (whether to be conducted as part of or in connection with its main business or ancillary to it) will be effected only through a Group Company.
- 15.2 36 *Entering into, terminating or varying any liability limitation agreement (pursuant to the CA 2006) or any similar arrangement with the auditors of any Group Company other than where the limitation forms part of the standard terms of appointment of the auditors *
- 15.2.37 Making any charitable contribution or any political contribution in excess of £250.
- 15.2.38 Mortgaging or charging or permitting the creation of or suffering to subsist any mortgage or fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or any part of its undertaking, property or assets.



16. DIVIDENDS

- 16.1 Each 'A' Ordinary Share ranks *pari passu* with each issued Ordinary Share in the capital of the Company as regard the payment of any cash dividend or other distribution.
- 16.2 The Directors may deduct from any dividend payable on or in respect of a share all sums of money presently payable by the holder to the Company on any account whatsoever.
- 16.3 The payment by the Directors of any unclaimed dividend or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of such monies. Any dividend unclaimed after a period of 12 years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.

17. NOTICES

- 17.1 A notice to be sent or given to or by any person under the Articles (other than a notice calling a meeting of the Directors or of a committee of the Directors) shall be in writing and, subject to the Articles, may be sent using electronic communication to an electronic address from time to time notified for that purpose to the person sending the notice. Notice may be sent or given personally or by letter or (if appropriate) using electronic communication. The address for service of the Company shall be the office or such other place as the Directors may appoint. The address for service of each Member shall be his address in the register of Members within the United Kingdom or such other address for service within the United Kingdom as the addressee may from time to time notify to the Company for the purposes of this Article. In the absence of such address or electronic address the Member shall not be entitled to receive from the Company notice of any meeting.
- 17.2 In the case of joint holders of a share, a notice shall be sent or given to the joint holder whose name stands first in the register of Members in respect of the joint holding and notice so sent or given shall be sufficient notice to all the joint holders
- 17.3 Notices will be deemed to be received
- 17.3.1 if personally delivered, at the time of delivery and, in proving service, it shall be sufficient to produce a receipt for the notice signed by or on behalf of the addressee;
- 17.3.2 if by letter, at noon two Business Days after such letter was posted, and, in proving service, it shall be sufficient to prove that the letter was properly stamped first class, addressed and delivered to the postal authorities; and
- 17.3.3 if by electronic communication to an electronic address, at the expiration of 24 hours after the time it is sent and in proving service, it shall be sufficient to prove that it was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators



18. INDEMNITY

Subject to and so far as may be permitted by the Act, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, secretary or manager of the Company shall be entitled to be indemnified out of the assets of the Company against all liabilities, losses, costs and expenses incurred or sustained by him in the execution and discharge of his duties.

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