

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES

CITI LOGIK LIMITED
Company No. 07938919

ARTICLES OF ASSOCIATION

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INTERPRETATION

1. In these Articles:
 - 1.1 "the Act" means the Companies Act 2006 as amended from time to time;
 - 1.2 "Adoption Date" means the date of adoption of these Articles;
 - 1.3 reference to an "Article" shall mean a reference to the specified numbered paragraph of these Articles;
 - 1.4 "Allocation Notice" has the meaning defined in Article 38;
 - 1.5 "Asset Sale" means the disposal by the Company or a Subsidiary Undertaking of the Company of assets (whether together with associated liabilities or otherwise and whether as part of an undertaking or otherwise) which represent 50% or more (by book value) of the consolidated gross tangible assets of the Company or relevant Subsidiary Undertaking of the Company at that time;
 - 1.6 "Associated Government Entities" means:
 - 1.6.1 any UK Government departments, including their executive agencies, other subsidiary bodies and other parts of UK Government;
 - 1.6.2 companies wholly or partly owned by UK Government departments and their subsidiaries;
 - 1.6.3 non-departmental public bodies, other public bodies, public corporations and their subsidiary bodies sponsored by UK Government departments; and/or
 - 1.6.4 any successors to any of the entities set out in 1.6.1 to 1.6.3 above or any new bodies which fall within the same criteria;

- 1.7 "Auditors" means the auditors of the Company for the time being or if such auditors are unable or unwilling to act in connection with the matter in question, a suitably qualified independent professional valuer agreed between the Company and the Fund or in default of agreement such firm of independent chartered accountants appointed on the application of the Company or the Fund by the President for the time being of the Institute of Chartered Accountants in England and Wales;
- 1.8 "Buyer" has the meaning defined in Article 43;
- 1.9 "clear days" means in relation to a period of a notice the number of days excluding the day when the notice is given and the day on which it is to take effect;
- 1.10 "Compulsory Transfer Shares" means in relation to a Management Shareholder, any Shares held by such Management Shareholder, a Permitted Transferee of such Management Shareholder and/or any person connected with such Management Shareholder;
- 1.11 "control" (for the purposes of Articles 18, 29, 30 and 31 only) has the meaning defined by section 1124 of the Corporation Tax Act 2010;
- 1.12 "Convertible Loan Agreement" means the convertible loan agreement entered into on or around 13 August 2020 between (i) the Company, (ii) UK FF Nominees Limited and (iii) the Other Lender (as therein defined);
- 1.13 "Date of Termination" in relation to a given holder of Shares means the earlier of:
- 1.13.1 where the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder terminates by virtue of a notice given by the employer to that holder (or vice-versa), the date on which such notice expires;
 - 1.12.2 where the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder is terminated by the employer or that holder and a payment is made to the employee in lieu of notice, the date on which such employment was terminated;
 - 1.12.3 where the holder is an officer or consultant or otherwise engaged (other than as an employee) by the Company or any of its Subsidiary Undertakings, the date on which such office, consultancy, engagement or contract for services relating to the same is terminated;
 - 1.13.4 the date on which the contract of employment (if any) between the Company or any of its Subsidiary Undertakings and that holder is terminated; or
 - 1.13.5 the date on which that holder is deemed to have given a Transfer Notice in accordance with Articles 27, 28, 29, 30 or 31;

- 1.14 "Eligible Director' means a director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the directors;
- 1.15 "Employee Benefit Trust" means any trust set up by the Company from time to time following a recommendation of the directors to hold shares and to transfer them (or to grant options to acquire them) to employees, officers and/or consultants of the Company;
- 1.16 "Facilities" means the Company's banking facilities from time to time;
- 1.17 "Family Trust" means a trust which permits the settled property or the income from it to be applied only for the benefit of an individual member (the "Settlor") and/or any Privileged Relation of that Settlor and under which no power or control is capable of being exercised over the votes of any shares which are the subject of the trust, by any person other than the trustees or the Settlor or any Privileged Relations of the Settlor;
- 1.18 "Financial Year' means a financial year or other period in respect of which the Company prepares its accounts in accordance with the relevant provisions of the Act;
- 1.19 "Flotation" means the admission of all or any part of the share capital of the Company or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to admitted to or traded or quoted on Nasdaq or the Official List of the UK Listing Authority or the Alternative Investment Market operated by the London Stock Exchange plc or on any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);
- 1.20 "Fund" means NPIF YHTV Equity LP and anyone to whom it may transfer any shares in accordance with these Articles and their respective successors in title;
- 1.21 "Fund Investor Director" means a director appointed by the Fund under Article 68;
- 1.22 "Good Leaver" means a Management Shareholder who ceases to be a director or employee of or consultant to or otherwise ceases to be engaged by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the company) in circumstances:
- 1.22.1 of death;
- 1.22.2 where the Management Shareholder is suffering from a physical or mental deterioration which is sufficiently serious to prevent him from following his normal employment or which seriously prejudices his earning capacity;

- 1.22.3 where the Management Shareholder resigns in circumstances where such Management Shareholder is resigning in order to retire from work and provided that the Management Shareholder does not undertake any paid full time employment with any business which operates in the same areas of business in which the Company operates and which is, or is reasonably likely to be, in competition with the Company's business in the one year following his retirement and the relevant Management Shareholder has provided a letter to the Company confirming that this shall be the case;
- 1.22.4 where the Management Shareholder is dismissed where such dismissal is found by a tribunal or court to have been unfair (other than for procedural reasons) and there is no right of appeal or is no longer a right of appeal from such tribunal or court;
- 1.22.5 where the Management Shareholder is made redundant; or
- 1.22.6 where the Management Shareholder would otherwise not be a Good Leaver but for the directors and the Fund (for so long as the Fund is the Lead Investor) electing in writing to treat such Management Shareholder as a Good Leaver,
- other than where Article 29 applies;
- 1.23 "the holder" means the member whose name is entered in the Register of Members as the holder of the Shares;
- 1.24 "Intending Transferor" has the meaning defined in Article 33;
- 1.25 "Interested Director" has the meaning defined in Article 90;
- 1.26 "Investment Agreement" means the investment agreement entered into on the Adoption Date and made between (1) the Managers (as listed therein), (2) the Other Existing Shareholders (as listed therein), (3) the Company, (4) the Fund and (5) Tracsis Plc;
- 1.27 "Investment Fund" means a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager;
- 1.28 "Investment Managed" means a person whose principal business is to make, manage or advise upon investments;
- 1.29 "Investor Affiliate" means:
- 1.29.1 any participant (directly or indirectly) or partner in or member of any Investment Fund which is or whose nominee is the transferor;

- 1.29.2 any other Investment Fund whose business is managed by the same Investment Manager as managed the Investment Fund which is or whose nominee is the transferor (or a Member of the Same Group as such Investment Manager);
- 1.29.3 the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor; or
- 1.29.4 any other Investment Manager or Investment Fund;
- 1.30 "Investor Director" means the Fund Investor Director and/or the Tracsis Investor Director;
- 1.31 "Lead Investor" means the Fund for so long as the Fund owns over 7% of the equity share capital of the Company;
- 1.32 "Majority Shareholders" has the meaning defined in Article 43;
- 1.33 "Management Shareholders" means any holder of shares, other than the Fund, who is a director, employee or consultant to the Company and includes, but is not limited to, the following people: John Rands, Stephen Leece and Graham Bradley;
- 1.34 "Member of the Same Group" means as regards any company, a company which is for the time being a holding company or a subsidiary of that company or a subsidiary of any such holding company;
- 1.35 "Minority Shareholders" has the meaning defined in Article 43;
- 1.36 "Model Articles" has the meaning defined in Article 2;
- 1.37 "Nasdaq" means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc.;
- 1.38 "Observer" has the meaning defined in Article 70;
- 1.39 "Offer" has the meaning defined in Article 43;
- 1.40 "Parent Undertaking" has the meaning set out in section 1162 of the Act;
- 1.41 "Permitted Transferee" means in relation to:
- 1.41.1 a member who is an individual, any of his Privileged Relations or the trustees of a Family Trust;
- 1.41.2 a member which is a company, a Member of the Same Group as that company;
- 1.41.3 either of Stephen Leece or John Rands, the other one being the transferee pursuant to a permitted transfer in accordance with Article 27.4;
- 1.42 "Prescribed Price" has the meaning defined in Article 46;

- 1.43 "Primary Holder" has the meaning defined in Article 107;
- 1.44 "Privileged Relation" means spouse, widow or widower of the member and the member's children and grandchildren (including legitimate, illegitimate, step and adopted children and their issue);
- 1.45 "Relevant Interest" has the meaning defined in Article 90;
- 1.46 "Sale Price" has the meaning defined in Article 35;
- 1.47 "said Shares" has the meaning defined in Article 35;
- 1.48 "Sale" means a Share Sale and/or an Asset Sale;
- 1.49 "secretary" means the secretary of the Company including a joint, assistant or deputy secretary;
- 1.50 "Shares" means ordinary shares of 0.0001p each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles;
- 1.51 "Share Sale" means either :-
- 1.51.1 the making of an offer to purchase all of the shares which is accepted and would result in or will result in the offeror holding more than 50% of the Shares; or
- 1.51.2 the entering into of one or more agreements which will result in any person acquiring more than 50% of the Shares;
- 1.52 "Subsidiary Undertaking" has the meaning set out in section 1159 of the Act;
- 1.53 "Surplus" has the meaning defined in Article 13.3;
- 1.54 "Total Transfer Condition" has the meaning defined in Article 33;
- 1.55 "Tracsis Investor Director" means a director appointed by the Fund under Article 68;
- 1.56 "Transfer Forms" has the meaning defined in Article 38; and
- 1.57 "Transfer Notice" has the meaning defined in Article 33.
2. The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the "Model Articles") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

3. In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
4. In these Articles:
 - 4.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - 4.2 words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and
5. Articles 8(2), 9(1), 9(4), 10(3), 11(2), 12, 13, 14, 17(2), 17(3), 19, 21, 25, 26, 27, 28, 29, 30(5) to (7) (inclusive), 37(4), 37(5), 38, 44(2), 44(4), 51, 52 and 53 of the Model Articles shall not apply to the Company.
6. Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".
7. The operation and interpretation of these Articles is subject to the Act and unless otherwise defined in these Articles or unless the context otherwise requires, words or expressions contained in these Articles shall have the same meaning as in the Act.

SHARE CAPITAL AND RIGHTS

Issue of Shares

8. Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) out of capital up to any amount in a financial year not exceeding the lower of:
 - (a) £15,000; and
 - (b) the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.
9. Subject to Article 10, the directors are authorised under Section 551 of the Act to use the powers of the Company to offer, allot, agree to allot, grant any right to subscribe for or to convert any security into, and otherwise dispose of any of the unissued shares of the Company to anyone (including directors) at such times and on such terms and conditions as they think proper. Any Shares offered to the Fund may be accepted by any person to whom the Fund may transfer shares pursuant to Article 26.
10. The authority contained in Article 9:

- 10.1 shall expire 14 days following the Adoption Date except that any obligation or contingent obligation assumed or incurred during that period may be performed or fulfilled after the expiry of such period;
- 10.2 shall be limited to 83,754,748 Shares which for the avoidance of doubt shall be in addition to the existing shares which are in issue in the capital of the Company at the Adoption Date;
- 10.3 may be varied, revoked or renewed by a resolution of the Company in accordance with the provisions of the Act but subject to any direction given by the Fund; and
- 10.4 is subject to the terms on which any shares are or have been created or issued.

Income

- 11. The profits of the Company in respect of each Financial Year shall be distributed amongst each of the holders of Shares as authorised by ordinary resolution of the Company SAVE THAT for so long as the Fund is the Lead Investor no dividends shall be declared and no such distributions shall be made without the written consent of the Fund, such consent not to be unreasonably withheld or delayed.
- 12. The Company shall ensure that each of its Subsidiary Undertakings which has profits available for distribution shall declare and pay to the Company such dividends as are necessary to permit the lawful and prompt payment of any dividends due under Article 11.
- 13. Article 31(1) of the Model Articles shall be amended by:
 - 13.1 the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
 - 13.2 the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

Capital

- 13.3 On a return of assets on liquidation or otherwise (except on a redemption of shares of any class or the purchase by the Company of its own shares) or on a Sale or Flotation (an "Exit") the assets of the Company remaining after the payment of its liabilities ("the Surplus") shall be distributed amongst the holders of the Shares as follows, firstly sums equal to the amounts paid up or credited as paid up (including any premium) on such shares held by them (and pro-rata according to such amounts) together with all arrears or accruals of all dividends in respect thereof calculated down to (and including) the date of the Exit and secondly, the remaining amount of the

Surplus (if any) shall be paid to the holders of the Shares in proportion to the number of such shares held by them.

14. The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
15. Paragraph (c) of article 24(2) of the Model Articles shall be amended by the replacement of the words "that the shares are fully paid; and" with the words "the amount paid up on them; and".
16. In article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine".

Voting

17. Subject to Articles 18, 19, 20 and 59, each holder of Shares shall be entitled to receive notice of and shall be entitled to attend either in person or by proxy at any general meeting of the Company and on a show of hands or on a poll shall have one vote for every such share in respect of which he is the holder.
18. A holder of Shares (other than the Fund) (and any body corporate under the control (directly or indirectly) of that member (if any)) shall not be entitled to receive notice of, attend or vote at any general meeting of the Company following the Date of Termination in respect of that holder. The provisions of this Article 18 shall continue until such time as such person ceases to be the holder of such Shares.
19. If, at the date of any general meeting or the circulation date of any written resolution, any of the events or circumstances specified in Article 20 shall, without the prior written consent of the Fund, have occurred and be subsisting and provided always that the Fund is the Lead Investor, the number of voting rights attaching to the Shares held by the Fund shall be increased to such number as is equal to 99% of the total voting rights attaching to all Shares at any general meeting (calculated after the application of this Article 19). The enhanced voting rights attached to the Shares held by the Fund by virtue of this Article 19 shall continue for so long as the relevant event or circumstance continues to subsist or until such matter is waived or otherwise remedied to the reasonable satisfaction, confirmed in writing, of the Fund.
20. The relevant events or circumstances referred to in Article 19 are the occurrence of a Level 2 Event of Default (as defined in the Investment Agreement) falling within paragraph 3 Part 2 of Schedule 5 of the Investment Agreement.

Matters requiring Fund Consent

- 21. For so long as the Fund is the Lead Investor, the prior consent or approval in writing of the Fund shall be required in respect of any matter relating to (or the Company incurring an obligation to do) any of the following:
 - 21.1 enter into an Asset Sale or the sale of any of the Company's Subsidiary Undertakings;
 - 21.2 the disposal or issue of any issued or unissued shares in the capital of the Company or any Subsidiary Undertaking (save as required by the terms of any options previously approved by the Fund or as permitted by these Articles);
 - 21.3 the calling of a meeting of the Company or any of its Subsidiary Undertakings for the purpose of considering a resolution for the winding up of the Company or any of its Subsidiary Undertakings;
 - 21.4 the calling of a meeting of the Company for the purpose of considering a resolution to approve a contract by the Company or any of its Subsidiary Undertakings to purchase any of their respective shares;
 - 21.5 a change to the accounting reference period of the Company or any of its Subsidiary Undertakings;
 - 21.6 any alteration of the restrictions on the powers of the directors of the Company or its Subsidiary Undertakings to borrow, give guarantees or create charges;
 - 21.7 the application by way of capitalisation of any sum in or towards paying up any debenture or debenture stock of the Company or of any of its Subsidiary Undertakings;
 - 21.8 any material alteration (including cessation) to the nature of the business of the Company or of any of its Subsidiary Undertakings;
 - 21.9 any Flotation or any Sale becoming unconditional or completed;
 - 21.10 any alteration or increase or reduction or sub-division or consolidation or redemption of the issued capital of the Company or of any of its Subsidiary Undertakings or by variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its Subsidiary Undertakings;
 - 21.11 the calling of a meeting of the Company or any of its Subsidiary Undertakings for the purpose of considering or the passing of a resolution for amending the Memorandum or Articles of Association of the Company or any of its Subsidiary Undertakings (as the case may be);
 - 21.12 the passing of any resolution whereby the classification or status of the Company may be changed; or

- 21.13 (without prejudice to the provisions of sections 630 and 633 of the Act) the variation of any special rights attached to any class of shares.

Share Certificates

22. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine.
23. Every certificate shall be signed by two directors or by a director and the secretary and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

TRANSFER AND TRANSMISSION OF SHARES

24. Save in respect of any shares held by trustees of any Employee Benefit Trust and any shares transferred pursuant to Article 27.6, for so long as the Fund is the Lead Investor no shares may be transferred without the written consent of the Fund.
25. The directors may dispense with the execution of the instrument of transfer by the transferee in their absolute discretion. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
26. For the purposes of Articles 27 and 28, where any person is unconditionally entitled to be registered as the holder of a share and has established such entitlement to the satisfaction of the board of directors he and not the registered holder of such share shall be deemed to be a member of the Company in respect of that share and the expression "transfer" shall include the renunciation of any letter of allotment and the transfer of any beneficial or other interest in a share (not being a charge to secure money).

Permitted Transfers

27. Article 28 shall apply to all transfers of shares, save for transfers permitted by this Article 27:
- 27.1 any shares held by the Fund may be transferred at any time to any Investor Affiliate without restriction as to price or otherwise;
- 27.2 any Shares held by UK FF Nominees Limited may be transferred at any time to any Associated Government Entities without restriction as to price or otherwise;

- 27.3 UK FF Nominees Limited or any Associated Government Entities shall be entitled to transfer all or any of its Shares in connection with any bona fide sale to an Institutional Investor (as defined in the Convertible Loan Agreement) that is acquiring the whole or part (being not fewer than 10 companies (including the Company)) of UK FF Nominees Limited's or any Associated Government Entities' interest in such portfolio of interests as arise from its conversion of unsecured convertible loans substantially on the same terms of the Convertible Loan Agreement;
- 27.4 any member (the "Original Transferor") may transfer all or any of his or its shares to a Permitted Transferee provided that:
- 27.4.1 in the case of a transfer of shares to a Privileged Relation or Family Trust no transfer of shares shall be permitted pursuant to this Article 27.4.1 if the registration of that transfer, when aggregated with any previous transfer or transfers by that Original Transferor pursuant to this Article 27.4.1 would result in the aggregate number of shares so transferred representing more than 50% of the total number of shares held for the time being by that Original Transferor; and
- 27.4.2 in the case of a transfer of shares to a Privileged Relation:
- (a) that Privileged Relation may only transfer such shares to the Original Transferor or any other Privileged Relation of the Original Transferor;
 - (b) if that Permitted Transferee ceases, at any time and for any reason, to be a Privileged Relation of the Original Transferor, such Permitted Transferee shall forthwith transfer all the shares held by him to the Original Transferor or any other Privileged Relation of the Original Transferor for such consideration as may be agreed between them. If the said shares are not so transferred within 20 business days of that Permitted Transferee so ceasing to be a Privileged Relation, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this Article 27.4.2(b). This 27.4.2 shall not apply to a transferee of a Permitted Transferee if that transferee is also a Permitted Transferee of the Original Transferor, to the extent that such transferee is legally or beneficially entitled to those shares;
- 27.4.3 in the case of a transfer of shares to a Family Trust or to any new trustee(s) of such Family Trust in accordance with Article 27.4.3(b)(i) or to the trustees of another Family Trust in accordance with Article 27.4.3(b)(iii):

- (a) the directors and, for so long as the Fund is the Lead Investor, the Fund is reasonably satisfied:
 - (i) with the terms of the instrument constituting the Family Trust;
 - (ii) with the identity of the proposed trustee(s) of the Family Trust;
 - (iii) that the proposed transfer will not result in more than 50% of the shares being held by the trustees of the Family Trust and any other trust; and
 - (iv) that no costs incurred in the setting up or administration of the Family Trust are to be paid by the Company,
- (b) the shares so transferred may be transferred to:
 - (i) any new trustee(s) of the Family Trust appointed on a change in trustee(s);
 - (ii) the Settlor of such Family Trust;
 - (iii) the trustees of another Family Trust which has the same Settlor;
 - or
 - (iv) any Privileged Relation of the Settlor of such Family Trust,
- (c) if that Permitted Transferee ceases, at any time and for any reason, to be a Family Trust in relation to the Settlor or if there ceases, for any reason, to be any beneficiaries (other than charities) of that Family Trust, the trustees shall forthwith transfer all the shares held by them to the Original Transferor, any Privileged Relation of the Original Transferor or the trustees of another Family Trust of the Original Transferor. If the said shares are not so transferred within 20 business days of that Permitted Transferee so ceasing to be a Family Trust or there so ceasing to be any beneficiaries, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this Article 27.2.3(c);

27.4.4 In the case of a transfer of shares to a Member of the Same Group, if at any time and for any reason, the Permitted Transferee ceases to be a Member of the Same Group as the Original Transferor, such Permitted Transferee shall forthwith transfer all the shares held by it to the Original Transferor or another Member of the Same Group as the Original Transferor. If the said shares are not so transferred within 20 business days of the Permitted Transferee ceasing to be a Member of the Same Group as the Original Transferor, a Transfer Notice shall be deemed to have been given in respect of such shares on the expiry of the period set out in this 27.4.4;

27.5 where any shares are held by trustees of any Employee Benefit Trust then:

- 27.5.1 any such shares may be transferred to any employee, officer or consultant of the Company or any option or right to acquire any such Shares may be granted to any such persons;
- 27.5.2 any person may transfer any of the shares held by him to the trustees of any Employee Benefit Trust;
- 27.5.3 on any change of trustees such shares may be transferred to the new trustees of that Employee Benefit Trust;
- 27.6 any shares held by Stephen Leece and John Rands may be transferred at any time between themselves without restriction as to price or otherwise provided that no transfer of shares shall be permitted pursuant to this Article 27.6 if the registration of that transfer would result in the aggregate number of shares held by:
- 27.6.1 John Rands being less than 5% of the entire issued share capital of the Company; and
- 27.6.2 Stephen Leece being less than 50% of his holding of shares in the capital of the Company as at the Adoption Date.

Pre-emption

28. Except as provided in Article 27, no shares shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted. If any member attempts or makes any attempt to transfer any share or shares other than in accordance with the provisions of these Articles, then that member shall be deemed to have immediately given a Transfer Notice in accordance with Article 32 in respect of all shares held by him.

Dismissal / Change of Control / Insolvency

29. If any Management Shareholder ceases to be a director or employee of or consultant to or otherwise ceases to be engaged by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the Company) by reason of their Gross Misconduct (and such dismissal for Gross Misconduct is upheld), or for any other reason within 6 months of the commencement of their employment or engagement, then he and any other person holding Compulsory Transfer Shares shall be deemed to have served a Transfer Notice in accordance with Article 33 in respect of all of the Compulsory Transfer Shares held by each of them respectively on the date of such cessation and Transfer Notices shall also be deemed to have been served on such date by the relevant parties in respect of all shares (if any) then held by any body corporate under the control (directly or indirectly) of that member.
30. Except in circumstances where Article 29 applies, if any Management Shareholder ceases to be a director or employee of or consultant to or otherwise ceases to be

engaged by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the Company) within 4 years of the Adoption Date in circumstances where he is not a Good Leaver, then he and any other person holding Compulsory Transfer Shares shall be deemed to have served a Transfer Notice in accordance with Article 33 in respect of such percentage of the shares (rounded to the nearest whole share) held by each of them respectively as is determined pursuant to Articles 30.1 to 30.4 on the date of such cessation and Transfer Notices shall also be deemed to have been served on such date by the relevant parties in respect of such percentage of the Compulsory Transfer Shares (rounded to the nearest whole share) (if any) then held by any body corporate under the control (directly or indirectly) of that member as is determined pursuant to Articles to 30.4. The percentages shall be:

- 30.1 45% if the cessation occurs between 0 months and 1 year from the Adoption Date;
 - 30.2 40% if the cessation occurs between 1 year and 2 years from the Adoption Date;
 - 30.3 30% if the cessation occurs between 2 years and 3 years from Adoption Date; and
 - 30.4 15% if the cessation occurs between 3 years and 4 years from the Adoption Date.
31. Except in circumstances where Article 29 applies, if any Management Shareholder ceases to be a director or employee of or consultant to or otherwise ceases to be engaged by the Company or any Subsidiary Undertaking of the Company (and does not thereupon become or remain a director or employee or consultant of the Company or any Subsidiary Undertaking of the Company) within 3 years of the Adoption Date in circumstances where he is a Good Leaver, then he and any other person holding Compulsory Transfer Shares shall be deemed to have served a Transfer Notice in accordance with Article 33 in respect of such percentage of the shares (rounded to the nearest whole share) held by each of them respectively as is determined pursuant to Articles 30.1 to 30.4 on the date of such cessation and Transfer Notices shall also be deemed to have been served on such date by the relevant parties in respect of such percentage of the Compulsory Transfer Shares (rounded to the nearest whole share) (if any) then held by any body corporate under the control (directly or indirectly) of that member as is determined pursuant to Articles 30.1 to 30.4. The percentages shall be:
- 31.1 20% if the cessation occurs between 0 months and 1 year from the Adoption Date;
 - 31.2 15% if the cessation occurs between 1 year and 2 years from the Adoption Date; and
 - 31.3 7.5% if the cessation occurs between 2 years and 3 years from Adoption Date.
32. If any member is adjudicated bankrupt by a court of competent jurisdiction or has a receiver, manager, administrative receiver or administrator appointed in respect of him/it or over all or any part of its undertaking or assets or enters into liquidation or

suffers any analogous event due to insolvency or bankruptcy then that member shall be deemed to have immediately given a Transfer Notice in accordance with Article 33 in respect of all the shares in the Company held by him/it.

Transfer Notice

- 33 Every person who desires intends or is required to transfer any share or shares (other than in the circumstances referred to in Article 27) (the "Intending Transferor") shall give to the Company notice in writing of such intention (a "Transfer Notice"). Every Transfer Notice shall specify the number and class of shares to be transferred. A single Transfer Notice may be used in respect of one or more class or classes of share or shares. Except in the case of a Transfer Notice required or deemed to be served by Articles 28, 29, 30, 31 or 32, the Transfer Notice may contain a provision that unless all the shares comprised therein are sold by the Company pursuant to Articles 33 to 41, none shall be so sold (a "Total Transfer Condition") and any such provision shall be binding on the Company.
34. Any two or more members may serve a Transfer Notice signed by each of them specifying the number of shares which each of them wishes to transfer and such notice shall for all purposes of Articles 33 to 40 take effect as if it were a single Transfer Notice and as if the Total Transfer Condition in it (if any) applies to all the shares comprised within it but the obligations of those members in respect of such notice shall be several only in proportion to the total number of shares which each holds.

Valuation

35. Subject as hereinafter mentioned, a Transfer Notice shall irrevocably (subject to Article 36) constitute the Company the agent of the Intending Transferor for the sale of the share or shares the subject thereof (the "said Shares") in one or more lots at the discretion of the directors at the price (the "Sale Price") determined as below

"Sale Price" means:

- i) in the case of a Transfer Notice deemed to be served by Article 29 or Article 30 where the Management Shareholder is not a Good Leaver, the tower of the aggregate subscription price of the said Shares or the fair value determined in accordance with Article 35(iii);
- ii) in the case of a Transfer Notice deemed to be served by Article 29 or Article 30 where the Management Shareholder is a Good Leaver, the fair value determined in accordance with Article 35(iii); and
- iii) in all other cases, the price agreed between the Intending Transferor and the directors (within 5 clear days of the date of service of the corresponding Transfer Notice, or in default of agreement within such time, the price which the Auditors shall in writing certify to be in their opinion the fair value thereof

as between a willing seller and a willing buyer on an arm's length sale as at the date of the Transfer Notice taking into account any bona fide offer from any person not being a member to purchase any of the said Shares comprised in or of the class comprised in the Transfer Notice (such value shall not be discounted by reason that the said Shares intended to be transferred are a minority holding, nor shall there be a premium for a majority holding).

If the Auditors are required to certify the fair value under this Article 35, the directors shall immediately give notice to the Auditors requesting such certification and in so certifying, the Auditors shall act as experts and not arbitrators and their decision shall be final and binding upon the parties.

36. If the Auditors are required to certify the fair value under Article 35, the Company shall procure that their certificate shall be delivered to the Company as soon as practicable (and in any event within 30 clear days of instruction) and so soon as the Company receives the certificate it shall furnish a certified copy thereof to the Intending Transferor who (except in the case of a Transfer Notice required or deemed to be served by Articles 28, 29, 30, 31 or 32, in which case the Intending Transferor shall have no right of cancellation) may by notice in writing given to the Company within 5 clear days of the service upon him of the said certified copy (as to which time shall be of the essence) cancel the Company's authority to sell the said Shares. The cost of obtaining the certificate shall be borne equally by the Company and the Intending Transferor unless the Intending Transferor shall give notice of cancellation as aforesaid in which case he shall bear the said cost. Save for the right of cancellation conferred by this paragraph, service or deemed service of a Transfer Notice shall be irrevocable.

Invitation to Purchase

37. Upon the price being fixed as aforesaid and provided the Intending Transferor (being entitled so to do) shall not give notice of cancellation as aforesaid the Company shall forthwith by notice in writing inform:
- 37.1 in the case of a Transfer Notice issued pursuant to Articles 29 or 30, the Fund of the number and price of the said Shares and invite the Fund to apply in writing to the Company within 10 clear days of the date of despatch of the Company's notice (which date shall be specified therein) for such maximum number of the said Shares (being all or any thereof) as the Fund shall state in such application to be transferred to such new intended Management Shareholder that the Fund shall nominate or, in the absence of such person, such entity as the Fund shall nominate with the intention of holding the said Shares until such time as a new Management Shareholder is identified by the Fund (a 'Fund Nominated Holder'); or
- 37.2 in the case of a Transfer Notice issued for any other reason, each member (other than the Intending Transferor) of the number and price of the said Shares and invite each such member to apply in writing to the Company within 10 clear days of the date of

despatch of the Company's notice (which date shall be specified therein) for such maximum number of the said Shares (being all or any thereof) as he shall state in such application. Any application made by any member not entitled to receive such invitation shall be disregarded.

Allocation

38. If any of the said members shall within the said period of 10 clear days apply for all or (except where the Transfer Notice properly provides otherwise) any of the said Shares, the Company by written notice to the applicants and the Intending Transferor (the "Allocation Notice") shall allocate the same (or so many of them as shall be applied for as aforesaid) to and amongst the applicants (and in case of competition pro-rata according to the number of Shares in respect of which they are registered or unconditionally entitled to be registered as holders) or the Fund Nominated Holder (as appropriate) PROVIDED THAT no applicant shall be obliged to take more than the maximum number of shares specified by him as aforesaid. In the event the Fund does not take its proportionate entitlement in full, the balance of such entitlement may be taken by one or more of those persons to whom the Fund would be permitted to transfer its Shares pursuant to Article 27. The Company shall together with the Allocation Notice to be given to the Intending Transferor provide completed but unsigned stock transfer forms in favour of the applicants or the Fund Nominated Holder (as appropriate) (the "Transfer Forms").

Transfer

39. The Intending Transferor shall be bound to transfer the shares comprised in an Allocation Notice to the purchasers named therein against and subject to payment of the price the Company in accordance with this Article 39. The Intending Transferor shall return the Transfer Forms by registered post to the registered office of the Company duly signed within 5 days of the date of the Allocation Notice and if he shall fail to do so, each of the directors severally shall be deemed to have been appointed attorney and agent of the Intending Transferor with full power to execute, complete and deliver, in the name and on behalf of the Intending Transferor, transfers of the said Shares to the purchasers thereof against payment of the price to the Company. On payment of the price to the Company the purchaser shall be deemed to have obtained a good receipt for such payment and on execution and delivery of the transfer the purchaser shall be entitled to insist upon his name being entered in the Register of Members as the holder by transfer of the said Shares so transferred to him and after the purchaser has been so registered the validity of such proceedings shall not be questioned by any person (except in the case of manifest error). The Company shall forthwith pay the price to the Intending Transferor or in the event the

Intending Transferor refuses to accept such payment into a separate bank account in the Company's name and shall hold such price in trust for the Intending Transferor. In the event any purchaser does not make payment to the Company within 10 clear days of the date of the Allocation Notice those of the said Shares allocated to him shall be reallocated amongst those of the remaining purchasers (if any) who have not previously been allocated the shares in question in accordance with Article 38. In the event no such purchasers remain then Article 40 shall apply.

- 40. The Intending Transferor shall not be at liberty to transfer any of the said Shares to anyone other than those to whom such shares are allocated by the directors in an Allocation Notice.
- 41. An obligation to transfer a share under the provisions of Article 39 shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

Registration

- 42. Notwithstanding the provisions of the foregoing Articles the directors may decline to register:
 - 42.1 any transfer of any share (including the renunciation of any letter of allotment) on which the Company has a lien; and further may decline to register any transfer of any share unless:
 - 42.2 the instrument of transfer duly executed and stamped is deposited at the office or at such other place (if any) as the directors may appoint accompanied by the certificate for the shares to which it relates (or an indemnity in respect thereof in a form reasonably acceptable to the Company) and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
 - 42.3 the instrument of transfer is in respect of only one class of share; and
 - 42.4 in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four.

Drag-along

- 43. Subject to Article 47, if the Fund and such other holders of Shares (excluding those who are prohibited from exercising their voting rights pursuant to Article 18) who have in aggregate greater than 50% in number of the Shares ("the Majority Shareholders") wish to sell their Shares to a bona fide independent third party acting

in good faith ("the Buyer") or if at any time following the third anniversary of the Adoption Date the Fund wishes to sell its Shares to a Buyer and:

- 43.1 the Buyer makes an offer (in accordance with Article 44) ("**Offer**") to all the members holding Shares other than the Majority Shareholders or the Fund as appropriate at the relevant time (other than the Buyer if he is a member) ("the Minority Shareholders") to purchase from them for cash and/or a cash alternative payable in full on completion of any sale of their entire holdings of Shares at the Prescribed Price per share; and
- 43.2 the Buyer has not received (within 14 days of the making of the Offer) acceptances of the Offer from all of the Minority Shareholders; then on the giving of a notice by the Buyer to such non-accepting Minority Shareholders requiring them to accept the Offer, each of the non-accepting Minority Shareholders shall upon the giving of such notice be deemed to have accepted the Offer in respect of the Shares held by him and become obliged to deliver up to the Buyer an executed transfer of such shares and the certificates in respect of the same.
- 44. Any such offer as is referred to in Article 43 above must be made in writing and open for acceptance and irrevocable for a period of not less than 7 days and not more than 14 days and, in respect of each class of shares to which the Offer relates, must be on equivalent terms to the offers or agreements to purchase made by the Buyer to or with the Majority Shareholders or the Fund as appropriate in respect of shares of that same class, **SAVE THAT**, if the Buyer so wishes, the Offer may contain a condition that acceptance must be received for a specified percentage of all the shares in respect of which the Offer is made.
- 45. If any such non-accepting Minority Shareholder as is referred to in Article 43 above shall not, within 7 days of becoming required to do so, execute a transfer in respect of the shares held by such member, then the directors shall authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such member) of the purchase monies payable for the relevant shares, deliver such transfer(s) to the Buyer (or its agents) and the Company shall register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person (except in the case of manifest error).
- 46. For the purposes of Article 43, "Prescribed Price" shall mean a price per share equal to the full cash equivalent of the highest price which, at the time of the making the relevant Offer, the Buyer has agreed to pay or is prepared to offer to pay any members per share in respect of the same class of shares, taking into account any other consideration (for cash or otherwise) received or receivable by any such member which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable.

47. All other regulations of the Company in these Articles relating to the transfer of shares and the right to registration of transfers shall be read subject to the provisions of Articles 43 to 46, but Articles 43 to 46 shall only apply for so long as the Fund is the Lead Investor.

Tag-along

48. If any member (on his own or acting in concert with one or more other members) (the "Selling Party") proposes to sell or transfer Shares (the "Committed Shares") equal to or greater than 50% of all the issued Shares of the Company at the time of the proposed sale or transfer to any person or persons other than another member or a Permitted Transferee, the Selling Party shall procure, before the sale or transfer, that each proposed buyer (the "Tag Along Buyer" makes a bona fide written offer (a "Tag Along Offer" to each of the other members (each a "Tag Along Shareholder") to buy all the Shares which are not Committed Shares for the same price per Share and otherwise on the same terms and conditions as those applying to the Committed Shares.
49. Each Tag Along Offer shall specify:
- 49.1 the price for the relevant Shares and any other principal terms and conditions of the sale or transfer;
- 49.2 the identity of the Tag Along Buyer; and
- 49.3 the period (being not less than 25 days from the service of the Tag Along Offer) for acceptance by each Tag Along Shareholder.)
50. If, within the period specified in the Tag Along Offer any Tag Along Shareholder accepts the offer in writing, then the Selling Party shall procure that the sale by that Tag Along Shareholder of his relevant Shares shall proceed on the same financial terms (including price per Share) and at the same time as the sale of the Selling Party's Shares,
51. Any acceptance by a Tag Along Shareholder of a Tag Along Offer shall be irrevocable, but no sale of that Tag Along Shareholder's Shares pursuant to its acceptance shall take place unless and until the sale of the Selling Party's Shares is completed.
52. The expression price per Share used in Articles 48 and 50 shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question which, having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the specified Shares.

GENERAL MEETINGS AND RESOLUTIONS

53. Every notice convening a general meeting shall comply with the provisions of section 324 of the Act as to giving information to members in regard to their right to appoint

- proxies. Notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the Auditors.
54. The directors shall procure that the accounts of the Company in respect of any Financial Year are audited and sent to the shareholders of the Company not later than three months after the end of the Financial Year to which they relate.
55. No business shall be transacted at any meeting unless a quorum is present. A quorum shall consist of two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a member corporation, PROVIDED THAT so long as the Fund is the Lead Investor one such person shall be the Fund or a proxy or a duly authorised representative of the Fund.
56. A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. A poll may be demanded:
- 56.1 by the chairman; or
- 56.2 by one or more members having the right to vote at the meeting; and a demand by a person as proxy for a member shall be the same as a demand by the member.
57. If a demand for a poll is withdrawn under article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made.
58. Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
59. No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
60. If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver proxy notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

61. Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".
62. The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
 - 62.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the board of directors may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - 62.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any director; or
 - 62.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any director, or at the time and place at which the poll is held to the chairman or to the company secretary or to any director or scrutineer; and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.
63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have.
64. A resolution in writing passed in accordance with the provisions of the Act, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.
65. Any member or member's proxy or duly authorised representative (being a body corporate) may participate in a general meeting or a meeting of a class of members by means of a conference telephone or similar communications system (including an

audio-visual communication or video-conference system) whereby all of those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by proxy or authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such majority, the location of the chairman shall be deemed to be the place of the meeting.

66. Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or by proxy (or being a corporation) is present by a representative not being himself a member, shall have one vote for every fully paid share in the capital of the Company of which he is the holder, and on a poll every member who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall have one vote for every fully paid share in the capital of the Company of which he is the holder.

DIRECTORS

67. Unless and until the Company in general meeting shall otherwise determine the number of directors shall not be less than three or more than seven. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director. No director of the Company shall be required to hold any share qualification.
68. In addition to the powers of appointment under article 17(1) of the Model Articles, for so long as the Fund is the Lead Investor, the Fund shall be entitled to appoint one director to the board of directors of the Company and have the rights of removal and reappointment of such director and shall be deemed to have sufficient votes to carry or defeat any resolution relating thereto. Article 17 of the Model Articles shall be modified accordingly in respect of a director appointed to the board of directors of the Company by the Fund in accordance with this Article 68.
69. In addition to the powers of appointment under article 17 (1) of the Model Articles, for so long as Tracsis is the owner of over 7% of the equity share capital of the Company, Tracsis shall be entitled to appoint one director to the board of directors of the Company and have the rights of removal and reappointment of such director and shall be deemed to have sufficient votes to carry or defeat any resolution relating thereto. Article 17 of the Model Articles shall be modified accordingly in respect of a director appointed to the board of directors of the Company by Tracsis in accordance with this Article 69.

70. The Fund and Tracsis shall be entitled from time to time to appoint any one person (an "Observer") to attend meetings of the directors. Observers shall be entitled to speak at such meetings and to require that business be placed upon the agenda for any such meeting but shall not in any circumstances be entitled to vote.
71. Article 7 of the Model Articles shall be amended by:
- 71.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and
- 71.2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".

Alternate Directors

72. Each director shall have power by notice in writing under his hand (which shall take effect on the service thereof at the registered office of the Company) to nominate:
- 72.1 any other director; or
- 72.2 any person approved for that purpose by the directors (such approval not to be unreasonably withheld or delayed), to act as his alternate, and at his discretion to remove such alternate director.
73. An alternate director shall be for all purposes counted as a director of the Company and shall while so acting be entitled to:
- 73.1 receive notices of all meetings of directors and of all meetings of committees of directors of which the director appointing him is a member (although it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom); and
- 73.2 exercise and discharge all the functions, powers and duties of the director whom he represents (except as regards remuneration and the power to appoint an alternate).
74. Any director acting as alternate shall have an additional vote for each director for whom he acts as alternate but shall not be considered as two directors for the purpose of making a quorum of directors.
75. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director or on the happening of any event which if the alternate were a director would cause him to vacate such office.
76. An alternate director shall during his appointment be an officer of the Company and save as otherwise provided in these Articles shall atone be responsible for his own acts and defaults and shall not be deemed to be an agent of the director appointing him.

77. An appointment of an alternate shall not prejudice the right of the director appointing him to receive notice of and to attend and vote at meetings of the board of directors.

Powers of Directors

78. The directors may exercise all the powers of the Company (whether express or implied):
- 78.1 of borrowing or raising or securing the payment of money;
- 78.2 of guaranteeing the payment of money and the fulfilment of obligations and the performance of contracts; and
- 78.3 of mortgaging or charging the property, undertaking, assets and uncalled capital of the Company and of issuing debentures.

Disqualification and Removal

79. In addition to that provided in article 18 of the Model Articles, the office of a director shall also be vacated if:
- 79.1 he is convicted of a criminal offence (other than a minor motoring offence) and the directors resolve that his office be vacated;
- 79.2 (other than in the case of an Investor Director) he absents himself from attendance at three consecutive meetings of directors without special leave of absence from the board of directors (such leave not to be unreasonably refused) and they pass a resolution that he has by reason of such absence vacated office.

Proceedings

80. Subject to the other provisions of these Articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom. Notice of a meeting of directors need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
81. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a casting vote in addition to any other vote he may have.

82. The quorum for the transaction of the business of the directors shall be three, PROVIDED THAT one such person shall be the Fund Investor Director if an Fund Investor Director has been appointed and one such person shall be the Tracsis Investor Director if a Tracsis Investor Director has been appointed. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
83. Subject to the other provisions of these Articles, the directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
84. A resolution in writing signed or approved by letter or facsimile or confirmed by exchange of electronic mail by all the directors for the time being entitled to receive notice of a meeting of the directors or of a committee of directors shall be as valid and as effective as a resolution passed at a meeting of the directors (or as the case may be) a committee of directors duly convened and held and may consist of several documents in the same terms, each signed or approved by one or more of the directors, but a resolution signed by an alternate director need not also be signed by his appointor and, if it is signed by a director who has appointed an alternate director, it need not be signed by the alternate director in that capacity. Reference in article 7 (1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.
85. Any director or its duly authorised representative (being a body corporate) may participate in a meeting of the directors or a committee of the directors by means of a conference telephone or similar communications system (including an audio-visual communication or video-conference system) whereby all of those participating in the meeting can hear and address each other. Such participation shall be deemed to constitute presence in person (or by authorised representative as appropriate) at such meeting for all purposes including that of establishing a quorum. A meeting held by such means shall be deemed to take place where the largest group of participants in number is assembled. In the absence of such majority, the location of the chairman shall be deemed to be the place of the meeting. Reference in article 7 (1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

DIRECTORS' INTERESTS

86. Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the directors in accordance with the provisions of these Articles, the nature and extent of his interest, a director may (save as to the extent not permitted

by law from time to time), notwithstanding his office, have an interest of the following kind, and shall be counted as participating in the decision-making process for quorum and voting purposes:

- 86.1 where a director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
 - 86.2 where a director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
 - 86.3 where a director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
 - 86.4 where a director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
 - 86.5 where a director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
 - 86.6 where a director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
 - 86.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - 86.8 any other interest authorised by ordinary resolution.
87. In addition to the provisions of Article 86, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect

investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- 87.1 the manager of the Fund;
 - 87.2 any of the funds advised or managed by an manager of the Fund from time to time;
 - or
 - 87.3 another body corporate or firm in which a the manager of the Fund or any fund advised by such manager of the Fund has directly or indirectly invested, including without limitation any portfolio companies.
88. For the purposes of Article 86 to Article 97 (inclusive), an interest of which a director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.
89. In any situation permitted by 86 to Article 97 (inclusive, (save as otherwise agreed by him) a director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.
90. Subject to Article 91, any authority given in accordance with section 175(5)(a) of the Act in respect of a director ("Interested Director") who has proposed that the directors authorise his interest ("Relevant Interest") pursuant to that section may, for the avoidance of doubt:
- 90.1 be given on such terms and subject to such conditions or limitations as may be imposed by the authorising directors as they see fit from time to time, including, without limitation:
 - 90.1.1 restricting the Interested Director from voting on any resolution put to a meeting of the directors or of a committee of the directors in relation to the Relevant Interest;
 - 90.1.2 restricting the Interested Director from being counted in the quorum at a meeting of the directors or of a committee of the directors where such Relevant Interest is to be discussed; or
 - 90.1.3 restricting the application of the provisions in Article 92 and 93, so far as is permitted by law, in respect of such Interested Director;
 - 90.2 be withdrawn, or varied at any time by the directors entitled to authorise the Relevant Interest as they see fit from time to time; and
- Article 86 to Article 97 (inclusive) an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising directors pursuant to section 175(5)(a) of the Act and Article 86 to Article 97 (inclusive).

91. Notwithstanding the other provisions of Article 86 to Article 97 (inclusive), it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 93.
92. Subject to Article 93 (and without prejudice to any equitable principle or rule of law which may excuse or release the director from disclosing information, in circumstances where disclosure may otherwise be required under Article 86 to Article 97 (inclusive), if a director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- 92.1 to disclose such information to the Company or to any director, or to any officer or employee of the Company; or
- 92.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a director.
93. Where such duty of confidentiality arises out of a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 91 shall apply only if the conflict arises out of a matter which falls within Article 86 or Article 87 or has been authorised under section 1 of the Act.
94. Where a director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the director may take such additional steps as may be necessary' or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- 94.1 absenting himself from any discussions, whether in meetings of the directors or otherwise, at which the relevant situation or matter falls to be considered; and
- 94.2 excluding himself from documents or information made available to the directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.

95. Subject to section 182 of the Act, a director shall declare the nature and extent of any interest permitted by Article 86 or Article 87 at a meeting of the directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the directors may determine, except that no declaration of interest shall be required by a director in relation to an interest:
- 95.1 falling under Article 86.7;
- 95.2 if, or to the extent that, the other directors are already aware of such interest (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
- 95.3 if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the directors, or by a committee of directors appointed for the purpose under these Articles.
96. Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of Article 86 to Article 97 (inclusive).
97. For the purposes of Article 86 to Article 97 (inclusive):
- 97.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- 97.2 the provisions of section 252 of the Act shall determine whether a person is connected with a director; and
- 97.3 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified.

SECRETARY AND MINUTES

98. Subject to the provisions of the Act, the Directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

NOTICES

99. Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:
- 99.1 in hard copy form;
- 99.2 in electronic form; or

- 99.3 (by the Company) by means of a website (other than notices calling a meeting of directors), or partly by one of these means and partly by another of these means.
100. Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in Articles 99 to 108.
101. Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):
- 101.1 to the Company or any other company at its registered office; or
- 101.2 to the address notified to or by the Company for that purpose; or
- 101.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
- 101.4 in the case of an intended recipient who is a director or alternate, to his address as shown in the register of directors; or
- 101.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
- 101.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in Article 101.1 to Article 101.5 (inclusive) above, to the intended recipient's last address known to the Company.
- 102 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:
- 102.1 if delivered, at the time of delivery; or
- 102.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.
103. Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
- 103.1 if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
- 103.2 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 99.3; or
- 103.3 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:

103.3.1 on its website from time to time; or

103.3.2 by notice (in hard copy or electronic form) to all members of the Company from time to time.

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

104.1 if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;

104.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;

104.3 if delivered in an electronic form, at the time of delivery; and

104.4 if sent by any other electronic means as referred to in Article 102, at the time such delivery is deemed to occur under the Act.

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

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

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

108. Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

WINDING UP

109. If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution of the Company, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist

of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may with the like authority vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability. The liquidator may make any provision or arrangement sanctioned by the Court.

INDEMNITIES AND INSURANCE

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

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

110.1.1 any liability incurred by the director to the Company or any associated company; or

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

110.1.3 any liability incurred by the director:

- (a) in defending any criminal proceedings in which he is convicted;
- (b) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against him; or
- (c) in connection with any application under sections 661(3) or 661 (4) or 1157 of the Act (as the case may be) for which the court refuses to grant him relief;

110.2 the directors may exercise all the powers of the Company to purchase and maintain insurance for any such director or other officer against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company,

or any associated company including (if he is a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

111. The Company shall (at the cost of the Company) effect and maintain for each director policies of insurance insuring each director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

MODEL ARTICLES FOR PRIVATE COMPANIES LIMITED BY SHARES

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PART 1 INTERPRETATION AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

- "articles" means the company's articles of association;
- "bankruptcy" includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;
- "chairman" has the meaning given in article 12;
- "chairman of the meeting" has the meaning given in article 39;
- "Companies Acts" means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the company;
- "director" means a director of the company, and includes any person occupying the position of director, by whatever name called;
- "distribution recipient" has the meaning given in article 31;
- "document" includes, unless otherwise specified, any document sent or supplied in electronic form;
- "electronic form" has the meaning given in section 1168 of the Companies Act 2006;
- "fully paid" in relation to a share, means that the nominal value and any premium to be paid to the company in respect of that share have been paid to the company;
- "hard copy form" has the meaning given in section 1168 of the Companies Act 2006;
- "holder" in relation to shares means the person whose name is entered in the register of members as the holder of the shares;
- "instrument" means a document in hard copy form;
- "ordinary resolution" has the meaning given in section 282 of the Companies Act 2006;
- "paid" means paid or credited as paid;
- "participate", in relation to a directors' meeting, has the meaning given in article 10;
- "proxy notice" has the meaning given in article 45;
- "shareholder" means a person who is the holder of a share;
- "shares" means shares in the company;
- "special resolution" has the meaning given in section 283 of the Companies Act 2006;
- "subsidiary" has the meaning given in section 1159 of the Companies Act 2006;
- "transmittee" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the company.

Liability of members

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

PART 2 DIRECTORS

DIRECTORS' POWERS AND RESPONSIBILITIES

Directors' general authority

3. Subject to the articles, the directors are responsible for the management of the company's business, for which purpose they may exercise all the powers of the company.

Shareholders' reserve power

- 4.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
(2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.

Directors may delegate

- 5.—(1) Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles—
 - (a) to such person or committee;
 - (b) by such means (including by power of attorney);
 - (c) to such an extent;
 - (d) in relation to such matters or territories; and
 - (e) on such terms and conditions; as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Committees

- 6.—(1) Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors.
- (2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

DECISION-MAKING BY DIRECTORS

Directors to take decisions collectively

7.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

(2) If -

- (a) the company only has one director, and
- (b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decision-making.

Unanimous decisions

8.—(1) A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

Calling a directors' meeting

9.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary (if any) to give such notice.

(2) Notice of any directors' meeting must indicate— (a) its proposed date and time;

(b) where it is to take place; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

Participation in directors' meetings

10.—(1) Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

(a) the meeting has been called and takes place in accordance with the articles, and (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

- (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.

Quorum for directors' meetings

11. (1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- (2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.
- (3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—
- (a) to appoint further directors, or
 - (b) to call a general meeting so as to enable the shareholders to appoint further directors.

Chairing of directors' meetings

- 12.—(1) The directors may appoint a director to chair their meetings.
- (2) The person so appointed for the time being is known as the chairman.
- (3) The directors may terminate the chairman's appointment at any time.
- (4) If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

Casting vote

- 13.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.
- (2) But this does not apply if, in accordance with the articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

Conflicts of interest

- 14.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.
- (2) But if paragraph (3) applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.
- (3) This paragraph applies when—
- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision making process;
 - (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (c) the director's conflict of interest arises from a permitted cause.
- (4) For the purposes of this article, the following are permitted causes—
- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;

- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
 - (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.
- (5) For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- (6) Subject to paragraph (7), if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.
- (7) If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

Records of decisions to be kept

15. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors' discretion to make further rules

16. Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

APPOINTMENT OF DIRECTORS

Methods of appointing directors

17.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

- (a) by ordinary resolution, or
 - (b) by a decision of the directors.
- (2) In any case where, as a result of death, the company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.
- (3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination of director's appointment

18. A person ceases to be a director as soon as—

- (a) that person ceases to be a director by virtue of any provision of the Companies Act

- 2006 or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
 - (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
 - (d) a registered medical practitioner who is treating that person gives a written opinion to the company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
 - (e) [paragraph omitted pursuant to the Mental Health (Discrimination) Act 2013] (f) notification is received by the company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

Directors' remuneration

- 19.—(1) Directors may undertake any services for the company that the directors decide.
- (2) Directors are entitled to such remuneration as the directors determine—
- (a) for their services to the company as directors, and
 - (b) for any other service which they undertake for the company.
- (3) Subject to the articles, a director's remuneration may— (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.
- (4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- (5) Unless the directors decide otherwise, directors are not accountable to the company for any remuneration which they receive as directors or other officers or employees of the company's subsidiaries or of any other body corporate in which the company is interested.

Directors' expenses

20. The company may pay any reasonable expenses which the directors properly incur in connection with their attendance at—
- (a) meetings of directors or committees of directors,
 - (b) general meetings, or
 - (c) separate meetings of the holders of any class of shares or of debentures of the company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the company.

PART 3

SHARES AND DISTRIBUTIONS

SHARES

All shares to be fully paid up

- 21.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the company in consideration for its issue.
- (2) This does not apply to shares taken on the formation of the company by the subscribers to the company's memorandum.

Powers to issue different classes of share

22.—(1) Subject to the articles, but without prejudice to the rights attached to any existing share, the company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

(2) The company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

Company not bound by less than absolute interests

23. Except as required by law, no person is to be recognised by the company as holding any share upon any trust, and except as otherwise required by law or the articles, the company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

Share certificates

24.—(1) The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds. (2) Every certificate must specify—

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

(3) No certificate may be issued in respect of shares of more than one class.

(4) If more than one person holds a share, only one certificate may be issued in respect of it.

(5) Certificates must—

- (a) have affixed to them the company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

Replacement share certificates

25.—(1) If a certificate issued in respect of a shareholder's shares is—

- (a) damaged or defaced, or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

(2) A shareholder exercising the right to be issued with such a replacement certificate—

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the company if it is damaged or defaced; and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

Share transfers

26.—(1) Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

- (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- (3) The company may retain any instrument of transfer which is registered.
- (4) The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- (5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

Transmission of shares

27.—(1) If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.

(2) A transmittee who produces such evidence of entitlement to shares as the directors may properly require—

(a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and

(b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

(3) But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

Exercise of transmittees' rights

28.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

Transmittees bound by prior notices

29. If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

Procedure for declaring dividends

30.—(1) The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.