

Company number: 08616210

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

WRITTEN RESOLUTIONS

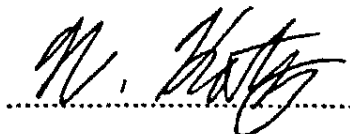
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LOCATABLE LTD (the "Company")

Passed on 20 June 2018

Pursuant to chapter 2 of part 13 of the Companies Act 2006, the following special resolution was duly passed by the Company as a written resolution:

1. That the articles of association contained in the document attached to these written resolutions (the "New Articles") be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association.



Director

TUESDAY



A09 *A78YCBOH* #37
26/06/2018
COMPANIES HOUSE

Dated 20 June 2018

**ARTICLES OF ASSOCIATION
OF LOCATABLE LTD.
Adopted by Shareholder Resolution on
20 June 2018**

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION OF LOCATABLE LTD.
(Adopted by special resolution passed on 20 June 2018)

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PART 1
INTERPRETATION AND LIMITATION OF LIABILITY

1. Defined terms

1.1 In these Articles, unless the context requires otherwise:-

"Act" means the Companies Act 2006;

"appointor" has the meaning given in Article 23(1);

"Articles" means the company's Articles of association for the time being in force;

"Asset Sale" means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal shall include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

"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;

"business day" means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

"chairman" has the meaning given in Article 12;

"chairman of the meeting" has the meaning given in Article 45;

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

"Commencement Date" means 17 September 2014;

"Companies Acts" means the Companies Acts (as defined in section 2 of the Act), in so far as they apply to the company;

"Conflict" has the meaning given in Article 15(1);

"Connected Person" in relation to any person means:

(a) any person who is an associate of that person and the question of whether a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined); and

(b) any Member of the same Group;

"CTA 2010" means the Corporation Tax Act 2010;

"Deed of Adherence" has the meaning given to it in the Subscription and Shareholders' Agreement;

"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 49;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"electronic form" has the meaning given in section 1168 of the Act;

"eligible director" means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter);

"Equity Shareholder" means a holder of Equity Shares;

"Equity Shares" means the Shares other than the Deferred Shares;

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

"Founder Shares" means all Ordinary Shares held by:

(a) the Exiting Founder; and

(b) by any Permitted Transferee of that Founder other than those Ordinary Shares held by those persons that the Board declares itself satisfied were not acquired directly or indirectly from such Founder or by reason of his relationship with such Founder;

"Founders" means Nicholas Katz and Vasanth Subramanian;

"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 Act;

"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;

"Investor Majority" means the holders of more than 50% of Ordinary Shares held by the Investors from time to time;

"Investors" has the meaning given to it in the Subscription and Shareholders' Agreement;

"Member of the Same Group" means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

"Nationwide" means Nationwide Building Society and/or its Permitted Transferees who hold shares in the capital of the Company;

"Nationwide Consent" means, for so long as Nationwide holds shares in the capital of the Company, the prior written consent of Nationwide Building Society (or a Permitted Transferee of Nationwide Building Society that holds shares in the capital of the Company);

"ordinary resolution" has the meaning given in section 282 of the Act;

"ordinary shareholder" means the holder of Ordinary Shares;

"ordinary shares" means ordinary shares of £0.0001 each in the company;

"paid" means paid or credited as paid;

"participate", in relation to a directors' meeting, has the meaning given in Article 10;

"Permitted Transferee" means:

- (a) in relation to a Founder or Investor who is an individual, any of his *Privileged Relations, Trustees or Qualifying Companies*;
- (b) in relation to an Investor which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;
- (c) in relation to an Investor:
 - (i) to any Member of the same Group; or
 - (ii) to any nominee of an Investor; or
- (d) in relation to LCIF, any successor to LCIF or any other entity as appointed by SME Wholesale Finance (London) Ltd. (trading as "Funding London") or any successor to Funding London as appointed by the GreaterLondonAuthority; or
- (e) in relation to Playfair Capital, any fund, partnership, company, syndicate or other entity whose business is managed or advised by a participant or partner in or member of Playfair Capital; or
- (f) in relation to Seedcamp, any fund, partnership, company, syndicate or other entity whose business is managed or advised by Seedcamp Investment Management LLP;
- (g) in relation to Nationwide Building Society any subsidiary, company, corporation or entity controlled by Nationwide Building Society;

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

"proxy notice" has the meaning given in Article 51;

"Qualifying Company" means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

"shareholder" (or "Shareholder") means a person who is the holder of a share;

"shares" (or "Shares") means shares in the company;

"special resolution" has the meaning given in section 283 of the Act;

"Subscription and Shareholders' Agreement" means the subscription and shareholders' agreement relating to the Company dated on or around the Date of Adoption;

"Subscription Price" means £3.1845 per share (as adjusted by the Board (acting reasonably) for any consolidation, sub-division, redenomination or other reorganisation of the Company's share capital);

"subsidiary" (or "Subsidiary"), "Subsidiary Undertaking" and "Parent Undertaking" have the respective meanings set out in sections 1159 and 1162 of the Act;

"Transfer Notice" means a notice in writing from a Shareholder specifying the Shares held by that Shareholder which he desires to sell or dispose of;

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

"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.

- 1.2 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.3 A reference in these Articles to an "Article" is a reference to the relevant Article of these Articles unless expressly provided otherwise.
- 1.4 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:-
 - 1.4.1 any subordinate legislation from time to time made under it, and
 - 1.4.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. Liability of members

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

3. **Directors' general authority**

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.

4. **Shareholders' reserve power**

- 4.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.
- 4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

5. **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*:-
 - 5.1.1 to such person or committee;
 - 5.1.2 by such means (including by power of attorney);
 - 5.1.3 to such an extent;
 - 5.1.4 in relation to such matters or territories; and
 - 5.1.5 on such terms and conditions,as they think fit.
- 5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- 5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

6. **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.
- 6.2 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

7. **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.

7.2 If:-

7.2.1 the company only has one director for the time being, and

7.2.2 *no provision of the Articles requires it to have more than one director,*

the general rule does not apply, and the director may (for so long as he remains the sole director) take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

8. **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.

8.2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.

8.3 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.

9. **Calling a directors' meeting**

9.1 Any director may call a directors' meeting by giving not less than one business day's notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.

9.2 Notice of any directors' meeting must indicate:-

9.2.1 its proposed date and time;

9.2.2 where it is to take place; and

9.2.3 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.

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

9.4 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.

10. **Participation in directors' meetings**

10.1 Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

- 10.1.1 the meeting has been called and takes place in accordance with the Articles, and
 - 10.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.
- 10.3 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.

11. 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.
- 11.2 *Subject to Article 11.3, the quorum for the transaction of business at a meeting of directors is any two directors which shall include any director appointed by Nationwide pursuant to the Subscription and Shareholders' Agreement, or if there is only one director in office, that director (and in such case the provisions of Article 7.2 shall apply). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.*
- 11.3 For the purposes of any meeting (or part of a meeting) held pursuant to Article 15 to authorise a director's conflict, if there is only one director in office besides the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

12. Chairing of directors' meetings

- 12.1 The directors may appoint a director to chair their meetings.
- 12.2 The person so appointed for the time being is known as the chairman.
- 12.3 The directors may terminate the chairman's appointment at any time.
- 12.4 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.

13. Casting vote

- 13.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting shall not have a casting vote.

14. Transactions or other arrangements with the company

- 14.1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company:-
- 14.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested;
 - 14.1.2 shall be an eligible director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested;
 - 14.1.3 shall be entitled to vote at a meeting of directors or of a committee of the directors, or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
 - 14.1.4 *may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;*
 - 14.1.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested; and
 - 14.1.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
- 14.2 For the purposes of this Article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.
- 14.3 Subject to Article 14.4, 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.
- 14.4 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.

15. Directors' conflicts of interest

15.1 The directors may, in accordance with the requirements set out in this Article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 of the Act to avoid conflicts of interest (a "Conflict").

15.2 Any authorisation under this Article will be effective only if:-

15.2.1 the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine;

15.2.2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question; and

15.2.3 the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

15.3 Any authorisation of a Conflict under this Article may (whether at the time of giving the authorisation or subsequently):-

15.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised;

15.3.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and

15.3.3 be terminated or varied by the directors at any time.

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation.

15.4 In authorising a Conflict the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person, the director is under no obligation to:-

15.4.1 disclose such information to the directors or to any director or other officer or employee of the company, or

15.4.2 use or apply any such information in performing his duties as a director, where to do so would amount to a breach of that confidence.

15.5 Where the directors authorise a Conflict they may (whether at the time of giving the authorisation or subsequently) provide, without limitation, that the director:-

15.5.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict;

15.5.2 is not given any documents or other information relating to the Conflict, and

- 15.5.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict.
- 15.6 Where the directors authorise a Conflict:-
 - 15.6.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict, and
 - 15.6.2 the director will not infringe any duty he owes to the company by virtue of sections 171 to 177 of the Act provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 15.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 16. **Records of decisions to be kept**
 - 16.1 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.
 - 16.2 Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

17. Directors' discretion to make further rules

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

18. Number of directors

- 18.1 Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum.

19. Methods of appointing director

- 19.1 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:-
 - 19.1.1 by ordinary resolution, or
 - 19.1.2 by a decision of the directors.

- 19.2 In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.
- 19.3 For the purposes of Article 19.2, 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.

20. Termination of director's appointment

A person ceases to be a director as soon as:-

- 20.1 that person ceases to be a director by virtue of any provision of the Act or is prohibited from being a director by law;
- 20.2 a bankruptcy order is made against that person;
- 20.3 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 20.4 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;
- 20.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- 20.6 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.

21. Directors' remuneration

- 21.1 Directors may undertake any services for the company that the directors decide.
- 21.2 Directors are entitled to such remuneration as the directors determine:-
- 21.2.1 for their services to the company as directors, and
- 21.2.2 for any other service which they undertake for the company.
- 21.3 Subject to the Articles, a director's remuneration may:-
- 21.3.1 take any form, and
- 21.3.2 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.

- 21.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.
- 21.5 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.

22. Directors' expenses

The company may pay any reasonable expenses which the directors (including alternate directors) and the secretary properly incur in connection with their attendance at:-

- 22.1 meetings of directors or committees of directors,
- 22.2 general meetings, or
- 22.3 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.

ALTERNATE DIRECTORS

23. Appointment and removal of alternate directors

- 23.1 Any director (the "appointor") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:-
- 23.1.1 exercise that director's powers, and
- 23.1.2 carry out that director's responsibilities,
- in relation to the taking of decisions by the directors in the absence of the alternate's appointor.
- 23.2 Any appointment or removal of an alternate must be effected by notice in writing to the company signed by the appointor, or in any other manner approved by the directors.
- 23.3 The notice must:-
- 23.3.1 identify the proposed alternate, and
- 23.3.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.

24. Rights and responsibilities of alternate directors

- 24.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

24.2 Except as the Articles specify otherwise, alternate directors:-

24.2.1 are deemed for all purposes to be directors;

24.2.2 are liable for their own acts and omissions;

24.2.3 are subject to the same restrictions as their appointors; and

24.2.4 are not deemed to be agents of or for their appointors

and, in particular (without limitation), each alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member.

24.3 A person who is an alternate director but not a director:-

24.3.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);

24.3.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and

24.3.3 shall not be counted as more than one director for the purposes of Articles 24.3.1 and 24.3.2.

24.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.

24.5 An alternate director is not entitled to receive any remuneration from the company for serving as an alternate director except such part of the alternate's appointor's remuneration as the appointor may direct by notice in writing made to the company.

25. **Termination of alternate directorship**

An alternate director's appointment as an alternate terminates:-

25.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate;

25.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;

25.3 on the death of the alternate's appointor; or

25.4 when the alternate's appointor's appointment as a director terminates.

26. Secretary

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors.

PART 3 SHARES AND DISTRIBUTIONS SHARES

27. Company's Lien over Shares

27.1 The company has a lien (the company's lien) over every share, whether or not fully paid, which is registered in the name of any person indebted or under any liability to the company, whether he is the sole registered holder of the share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the company, whether payable immediately or at some time in the future.

27.2 The company's lien over a share:

27.2.1 takes priority over any third party's interest in that share; and

27.2.2 extends to any dividend or other money payable by the company in respect of that share and (if the lien is enforced and the share is sold by the company) the proceeds of sale of that share.

27.3 The directors may at any time decide that a share which is or would otherwise be subject to the company's lien shall not be subject to it, either wholly or in part.

28. Enforcement of the Company's Lien

28.1 Subject to the provisions of this Article, if:

28.1.1 a lien enforcement notice has been given in respect of a share; and

28.1.2 the person to whom the notice was given has failed to comply with it,
the company may sell that share in such manner as the directors decide.

28.2 A lien enforcement notice:

28.2.1 may only be given in respect of a share which is subject to the company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

28.2.2 must specify the share concerned;

28.2.3 must require payment of the sum within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

28.2.4 must be addressed either to the holder of the share or to a transmittee of that holder; and

- 28.2.5 must state the company's intention to sell the share if the notice is not complied with.
- 28.3 Where shares are sold under this Article:
 - 28.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or to a person nominated by the purchaser; and
 - 28.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 28.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
 - 28.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
 - 28.4.2 second, to the person entitled to the shares at the date of the sale, but only after the certificate for the shares sold has been surrendered to the company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the shares before the sale in respect of all shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.
- 28.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (if any) and that a share has been sold to satisfy the company's lien on a specified date:
 - 28.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 28.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.

29. **Call Notices**

- 29.1 Subject to the Articles and the terms on which shares are allotted, the directors may send a notice (a call notice) to a shareholder requiring the shareholder to pay the company a specified sum of money (a call) which is payable to the company at the date when the directors decide to send the call notice.
- 29.2 A call notice:
 - 29.2.1 may not require a shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the company;
 - 29.2.2 must state when and how any call to which it relates is to be paid; and
 - 29.2.3 may permit or require the call to be made in instalments.

29.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days (that is, excluding the date on which the notice is given and the date on which that 14 day period expires) have passed since the notice was sent.

29.4 Before the company has received any call due under a call notice the directors may:

29.4.1 revoke it wholly or in part; or

29.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the shareholder in respect of whose shares the call is made.

30. Liability to Pay Calls

30.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.

30.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.

30.3 Subject to the terms on which shares are allotted, the directors may, when issuing shares, provide that call notices sent to the holders of those shares may require them:

30.3.1 to pay calls which are not the same; or

30.3.2 to pay calls at different times.

31. When Call Notice Need Not Be Issued

31.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the company in respect of that share:

31.1.1 on allotment;

31.1.2 on the occurrence of a particular event; or

31.1.3 on a date fixed by or in accordance with the terms of issue.

31.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

32. Failure to Comply With Call Notice: Automatic Consequences

32.1 If a person is liable to pay a call and fails to do so by the call payment date:

32.1.1 the directors may issue a notice of intended forfeiture to that person; and

32.1.2 until the call is paid, that person must pay the company interest on the call from the call payment date at the relevant rate.

32.2 For the purposes of this Article:

32.2.1 the "call payment date" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "call payment date" is that later date; and

32.2.2 the "relevant rate" is

32.2.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;

32.2.2.2 such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or

32.2.2.3 if no rate is fixed in either of these ways, 5 per cent per annum.

32.3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

32.4 The directors may waive any obligation to pay interest on a call wholly or in part.

33. **Notice of Intended Forfeiture**

33.1 A notice of intended forfeiture:

33.1.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

33.1.2 must be sent to the holder of that share (or all the joint holders of that share) or to a transmittee of that holder;

33.1.3 must require payment of the call and any accrued interest and all expenses that may have been incurred by the company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);

33.1.4 must state how the payment is to be made; and

33.1.5 must state that if the notice is not complied with, the shares in respect of which the call is payable will be liable to be forfeited.

34. **Directors' Power to Forfeit Shares**

If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any share in respect of which it was given is forfeited, and the forfeiture is to include all

dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

35. Effect of Forfeiture

35.1 Subject to the Articles, the forfeiture of a share extinguishes:

35.1.1 all interests in that share, and all claims and demands against the company in respect of it; and

35.1.2 all other rights and liabilities incidental to the share as between the person whose share it was prior to the forfeiture and the company.

35.2 Any share which is forfeited in accordance with the Articles:

35.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;

35.2.2 is deemed to be the property of the company; and

35.2.3 may be sold, re-allotted or otherwise disposed of as the directors think fit.

35.3 If a person's shares have been forfeited:

35.3.1 the company must send that person notice that forfeiture has occurred and record it in the register of shareholders;

35.3.2 that person ceases to be a shareholder in respect of those shares;

35.3.3 that person must surrender the certificate for the shares forfeited to the company for cancellation;

35.3.4 that person remains liable to the company for all sums payable by that person under the Articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and

35.3.5 the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

35.4 At any time before the company disposes of a forfeited share, the directors may decide to cancel the forfeiture on payment of all calls interest and expenses due in respect of it and on such other terms as they think fit.

36. Procedure Following Forfeiture

36.1 If a forfeited share is to be disposed of by being transferred, the company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer.

36.2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a share has been forfeited on a specified date:

- 36.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
 - 36.2.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the share.
- 36.3 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the share.
- 36.4 If the company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the company the proceeds of such sale, net of any commission, and excluding any amount which:
 - 36.4.1 was, or would have become, payable; and
 - 36.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,but no interest is payable to such a person in respect of such proceeds and the company is not required to account for any money earned on them.

37. **Surrender of Shares**

- 37.1 A shareholder may surrender any share:
 - 37.1.1 in respect of which the directors may issue a notice of intended forfeiture;
 - 37.1.2 which the directors may forfeit; or
 - 37.1.3 which has been forfeited.
- 37.2 The directors may accept the surrender of any such share.
- 37.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.
- 37.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

38. **Further Issues of Shares: Authority**

- 38.1 Save to the extent authorised by these Articles, or authorised from time to time by an ordinary resolution of the shareholders, the directors shall not exercise any power to allot shares or to grant rights to subscribe for, or to convert any security into, any shares in the company.
- 38.2 Subject to the remaining provisions of this Article 38 and to Article 39, the directors are generally and unconditionally authorised, for the purposes of section 551 of the Act and generally, to exercise any power of the Company to:
 - 38.2.1 offer or allot;
 - 38.2.2 grant rights to subscribe for or to convert any security into;

38.2.3 otherwise deal in, or dispose of,

any Ordinary Shares to any person, at any time and subject to any terms and conditions as the directors think proper.

38.3 The authority referred to in Article 38.2:

38.3.1 shall be limited to a maximum nominal amount of £282.7512 inclusive of all existing share capital of the company on the date on which these Articles are adopted;

38.3.2 shall only apply insofar as the company has not renewed, waived or revoked it by ordinary resolution; and

38.3.3 may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the directors may make an offer or agreement which would, or might, require Ordinary Shares to be allotted after the expiry of such authority (and the directors may allot Ordinary Shares in pursuance of an offer or agreement as if such authority had not expired).

39. Further Issues of Shares: Pre-Emption Rights

39.1 In accordance with Section 570 of the Act, the Directors are generally and unconditionally authorised to allot equity securities (as defined in Section 560 of the Act) ("New Securities") pursuant to the authority conferred by Article 38, as if Section 561 of the Act and the provisions of Article 39.2 did not apply to any such allotment, provided that this power shall:

39.1.1 be limited to the allotment of New Securities up to an aggregate nominal amount of £282.7512 inclusive of all existing share capital of the company on the date on which these Articles are adopted; and

39.1.2 expire when the authority conferred by Article 38 is revoked or would expire (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before expiry of the authority conferred by Article 38, make an offer or agreement which would or might require New Securities to be allotted after such expiry and the Directors may allot New Securities in pursuance of any such offer or agreement notwithstanding that the authority conferred by this Article 39 has expired.

39.2 Subject to the provisions of this Article 39, unless otherwise determined by special resolution, any New Securities to include any shares of any class ("New Shares") shall, before they are allotted or granted on any terms, be first offered by the company in writing to each Ordinary Shareholder by:

39.2.1 giving details of the number and subscription price of the New Shares;

39.2.2 inviting him to apply for the New Shares at the subscription price (being on no less favourable terms);

39.2.3 stating that he will have a period of at least 14 days from the date of the notice in which to apply;

- 39.2.4 stating that, if there is competition among the Ordinary Shareholders for the New Shares, the New Shares will be allocated to him in proportion (as nearly as may be) to his existing holdings of Ordinary Shares (his "Proportionate Allocation");
- 39.2.5 inviting him to indicate if he is willing to purchase New Shares in excess of his Proportionate Allocation ("Extra Securities") and, if so, the number of Extra Securities.
- 39.3 Any offer made to LCIF LLP under Article 39.2 may, to the extent not accepted by LCIF LLP, be accepted in whole or in part by any Permitted Transferee of LCIF LLP.
- 39.4 Any offer made to Playfair Capital Investment Nominee Limited under Article 39.2 may, to the extent not accepted by Playfair Capital Investment Nominee Limited, be accepted in whole or in part by any Permitted Transferee of Playfair Capital Investment Nominee Limited.
- 39.5 Any offer made to Seedcamp III LP under Article 39.2 may, to the extent not accepted by Seedcamp III LP, be accepted in whole or in part by any Permitted Transferee of Seedcamp III LP.
- 39.6 Any offer made to Nationwide under Article 39.2 may, to the extent not accepted by Nationwide, be accepted in whole or in part by any Permitted Transferee of Nationwide.
- 39.7 On expiry of an offer made in accordance with Article 39.2 (or sooner if applications or refusals have been received from all Ordinary Shareholders and all requisite approvals have been given), the company shall allot or grant (as the case may be) the New Shares as follows:
- 39.7.1 if the total number of New Shares applied for is equal to or less than the New Shares offered, each Ordinary Shareholder shall be allocated the number applied for by him; or
- 39.7.2 if the total number of New Shares applied for is more than the New Shares offered, each Ordinary Shareholder shall be allocated his Proportionate Allocation or, if less, the number of New Shares for which he has applied; and
- 39.7.3 applications for Extra Securities shall be allocated in accordance with such applications or, in the event of competition, among those Ordinary Shareholders applying for Extra Securities in proportion to their Proportionate Allocations but so that no applicant shall be allocated more Extra Securities than he has applied for and so that if there is a surplus further allocations shall be made on the same basis (and if necessary more than once) until all New Shares have been allocated;
- 39.7.4 fractional entitlements shall be rounded to the nearest whole number;
- following which the directors may, subject to these Articles and the Act, allot or grant (as the case may be) such New Shares as have not been taken up in such manner as they think fit, but on no less favourable terms.
- 39.8 No shares shall be allotted to any employee, director, prospective employee or director unless such person has entered into a joint election with the company under section 431 of the Income Tax (Earnings and Pensions) Act 2003.

40. Company not bound by less than absolute interests

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.

41. Share certificates

41.1 The company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

41.2 Every certificate must specify:-

41.2.1 in respect of how many shares, of what class, it is issued;

41.2.2 the nominal value of those shares; and

41.2.3 any distinguishing numbers assigned to them.

41.3 No certificate may be issued in respect of shares of more than one class.

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

41.5 Certificates must:-

41.5.1 have affixed to them the company's common seal, or

41.5.2 be otherwise executed in accordance with the Companies Acts.

42. Replacement share certificates

42.1 If a certificate issued in respect of a shareholder's shares is:-

42.1.1 damaged or defaced, or

42.1.2 said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

42.2 A shareholder exercising the right to be issued with such a replacement certificate:-

42.2.1 may at the same time exercise the right to be issued with a single certificate or separate certificates;

42.2.2 must return the certificate which is to be replaced to the company if it is damaged or defaced; and

42.2.3 must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

43. Share transfers

- 43.1 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 and, unless the share is fully paid, the transferee.
- 43.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.
- 43.3 The company may retain any instrument of transfer which is registered.
- 43.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.
- 43.5 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.

44. Transmission of shares

- 44.1 If title to a share passes to a transmittee, the company may only recognise the transmittee as having any title to that share.
- 44.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:-
 - 44.2.1 may, subject to the Articles, choose either to become the holder of those shares or to have them transferred to another person, and
 - 44.2.2 subject to the Articles, and pending any transfer of the shares to another person, has the same rights as the holder had.
- 44.3 But, subject to Article 19.2, 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.

45. Exercise of transmittees' rights

- 45.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the company in writing of that wish.
- 45.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.
- 45.3 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.

46. Transmittees bound by prior notices

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, or the name of any person nominated under Article 67,, has been entered in the register of members.

DIVIDENDS AND OTHER DISTRIBUTIONS

47. **Procedure for declaring dividends**

- 47.1 The company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 47.2 A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.
- 47.3 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights.
- 47.4 Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 47.5 If the company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.
- 47.6 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 47.7 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

48. **Calculation of dividends**

- 48.1 Except as otherwise provided by the Articles or the rights attached to shares, all dividends must be apportioned and paid proportionately to the number of shares in issue during any portion or portions of the period in respect of which the dividend is paid.
- 48.2 If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.
- 48.3 For the purposes of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

49. **Payment of dividends and other distributions**

- 49.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:-
 - 49.1.1 transfer to a bank or building society account specified by the distribution recipient in writing;

- 49.1.2 sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient in writing;
 - 49.1.3 sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified in writing; or
 - 49.1.4 (any other means of payment as the directors agree with the distribution recipient in writing.
- 49.2 In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable:-
- 49.2.1 the holder of the share; or
 - 49.2.2 if the share has two or more joint holders, whichever of them is named first in the register of members; or
 - 49.2.3 if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

50. Deductions from distributions in respect of sums owed to the Company

50.1 If:-

- 50.1.1 a share is subject to the company's lien, and
- 50.1.2 the directors are entitled to issue a lien enforcement notice in respect of it,

they may, instead of issuing a lien enforcement notice, deduct from any dividend or other sum payable in respect of the share any sum of money which is payable to the company in respect of that share to the extent that they are entitled to require payment under a lien enforcement notice.

50.2 Money so deducted must be used to pay any of the sums payable in respect of that share.

50.3 The company must notify the distribution recipient in writing of:-

- 50.3.1 the fact and amount of any such deduction;
- 50.3.2 any non-payment of a dividend or other sum payable in respect of a share resulting from any such deduction; and
- 50.3.3 how the money deducted has been applied.

51. No interest on distributions

The company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by:-

- 51.1 the terms on which the share was issued, or

51.2 the provisions of another agreement between the holder of that share and the company.

52. Unclaimed distributions

52.1 All dividends or other sums which are:-

52.1.1 payable in respect of shares, and

52.1.2 unclaimed after having been declared or become payable,

may be invested or otherwise made use of by the directors for the benefit of the company until claimed.

52.2 The payment of any such dividend or other sum into a separate account does not make the company a trustee in respect of it.

52.3 If:-

52.3.1 twelve years have passed from the date on which a dividend or other sum became due for payment, and

52.3.2 the distribution recipient has not claimed it,

the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the company.

53. Non-cash distributions

53.1 Subject to the terms of issue of the share in question, the company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

53.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

53.2.1 fixing the value of any assets;

53.2.2 paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and

53.2.3 vesting any assets in trustees.

54. Waiver of distributions

Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the company notice in writing to that effect, but if:-

54.1 the share has more than one holder, or

- 54.2 more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

CAPITALISATION OF PROFITS

55. **Authority to capitalise and appropriation of capitalised sums**

- 55.1 Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution:-

55.1.1 decide to capitalise any profits of the company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the company's share premium account or capital redemption reserve; and

55.1.2 appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

- 55.2 Capitalised sums must be applied:-

55.2.1 on behalf of the persons entitled, and

55.2.2 in the same proportions as a dividend would have been distributed to them.

- 55.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

- 55.4 A capitalised sum which was appropriated from profits available for distribution may be applied:-

55.4.1 in or towards paying up any amounts unpaid on existing shares held by the persons entitled, or

55.4.2 in paying up new debentures of the company which are then allotted credited as fully paid to the persons entitled or as they may direct.

- 55.5 Subject to the Articles the directors may:-

55.5.1 apply capitalised sums in accordance with Article 55.3 and 55.4;

55.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments); and

55.5.3 authorise any person to enter into an agreement with the company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

PART 4
DECISION-MAKING BY SHAREHOLDERS
ORGANISATION OF GENERAL MEETINGS

56. Attendance and speaking at general meetings

- 56.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 56.2 A person is able to exercise the right to vote at a general meeting when:-
- 56.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
 - 56.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 56.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 56.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 56.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

57. Quorum for general meetings

No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

58. Chairing general meetings

- 58.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.
- 58.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start--
- 58.2.1 the directors present, or
 - 58.2.2 (if no directors are present), the meeting,
- must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

58.3 The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

59. Attendance and speaking by directors and non-shareholders

59.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

59.2 The chairman of the meeting may permit other persons who are not—

59.2.1 shareholders of the company, or

59.2.2 otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

60. Adjournment

60.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

60.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if:-

60.2.1 the meeting consents to an adjournment, or

60.2.2 it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

60.3 The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

60.4 When adjourning a general meeting, the chairman of the meeting must:-

60.4.1 either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and

60.4.2 have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

60.5 *If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):-*

60.5.1 to the same persons to whom notice of the company's general meetings is required to be given, and

60.5.2 containing the same information which such notice is required to contain.

- 60.6 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

VOTING AT GENERAL MEETINGS

61. **Voting: general**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

62. **Errors and disputes**

- 62.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.
- 62.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

63. **Poll votes**

- 63.1 A poll on a resolution may be demanded:-

- 63.1.1 in advance of the general meeting where it is to be put to the vote, or
- 63.1.2 at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

- 63.2 A poll may be demanded at any general meeting by any qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.

- 63.3 A demand for a poll may be withdrawn if:-

- 63.3.1 the poll has not yet been taken, and
- 63.3.2 the chairman of the meeting consents to the withdrawal.

A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

- 63.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

64. **Content of proxy notices**

- 64.1 Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:-

- 64.1.1 states the name and address of the shareholder appointing the proxy;

- 64.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- 64.1.3 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- 64.1.4 is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate

and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting.

- 64.2 *The company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.*
- 64.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.
- 64.4 Unless a proxy notice indicates otherwise, it must be treated as:-
 - 64.4.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
 - 64.4.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

65. **Delivery of proxy notices**

- 65.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the company by or on behalf of that person.
- 65.2 An appointment under a proxy notice may be revoked by delivering to the company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 65.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 65.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

66. **Amendments to resolutions**

- 66.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
 - 66.1.1 notice of the proposed amendment is given to the company in writing by a person entitled to vote at the general meeting at which it is to be

proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

- 66.1.2 the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.
- 66.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:-
 - 66.2.1 the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and
 - 66.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 66.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

67. Members' Nomination Rights

- 67.1 Subject to the Act, any shareholder (or, where any share is held jointly, whichever of them is first named in the register) shall be entitled from time to time to nominate any other person or persons other than any person(s) whom the directors consider to be or to represent a competitor (or potential competitor) of the company or any person(s) or other entity connected with such a competitor to exercise some or all of such shareholder's rights as a shareholder of the company and at any time to revoke such nomination.
- 67.2 Any nomination under Article 67.1 shall:
 - 67.2.1 be given by notice in writing addressed to the company;
 - 67.2.2 specify the full name and address for notices of such nominee(s);
 - 67.2.3 be countersigned by or on behalf of the relevant nominee to indicate his acceptance of such nomination; and
 - 67.2.4 take effect upon receipt (or deemed receipt) of such a notice by the company.
- 67.3 A notice of nomination given under Article 67.2 may:
 - 67.3.1 specify which rights, in relation to which shares, of that shareholder are to be enjoyed, or may be exercised, by the relevant nominee(s) (and any limitations on such enjoyment or exercise) or, in the absence of such provision, such notice shall be deemed to grant each nominee the right to exercise all of the relevant shareholder's rights as a shareholder of the company, to the fullest extent, subject only to the provisions of the Companies Acts. In the absence of any limitation on any nominee's rights pursuant to a nomination under this Article 67.2, the Company shall accept any instruction or exercise of a right which is first received, in the event of an instruction or exercise being made by more than one nominee in respect of the same right; and
 - 67.3.2 specify when the nomination is to cease to have effect.

- 67.4 Revocation of a nomination previously made under Article 67.1 shall be given by notice in writing addressed to the company and shall take effect upon receipt (or deemed receipt) of such notice by the company.
- 67.5 At all times from receipt (or deemed receipt) by the company of such a notice of nomination, until receipt (or deemed receipt) of a valid notice of revocation of such a nomination, the nominee appointed by a shareholder shall enjoy and be entitled to exercise the rights of that shareholder, to the extent, if any, specified in such notice of nomination, to the exclusion of that shareholder's rights (to that extent). The revocation of a nomination in accordance with Article 67.4 shall not invalidate anything done (or omitted to be done) by the relevant nominee at any time prior to the date such revocation takes effect in accordance with Article 67.4.
- 67.6 For the purposes of these Articles but subject to the provisions of the Act, references to any matter to be done by, or in relation to, a "shareholder" or "shareholders" shall be deemed to include reference to any person for the time being nominated in accordance with this Article 67 (and such references shall, until such nomination is revoked in accordance with Article 67.4, exclude the shareholder who made the nomination).

RESTRICTIONS ON MEMBERS' RIGHTS

68. **No voting of shares on which money owed to company**

No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

PART 5 ADMINISTRATIVE ARRANGEMENTS

69. **Means of communication to be used**

- 69.1 Subject to the Articles, anything sent or supplied by or to the company under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by or to the company.
- 69.2 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:-
- 69.2.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
- 69.2.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;

69.2.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and

69.2.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this Article, no account shall be taken of any part of a day that is not a working day.

69.3 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by the Act.

69.4 Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

69.5 A director may agree with the company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

70. No right to inspect accounts and other records

Except as provided by law or authorised by the directors or an ordinary resolution of the company, no person is entitled to inspect any of the company's accounting or other records or documents merely by virtue of being a shareholder.

71. Provision for employees on cessation of business

The directors may decide to make provision for the benefit of persons employed or formerly employed by the company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

DIRECTORS' INDEMNITY AND INSURANCE

72. Indemnity

72.1 Subject to Article 72.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:-

72.1.1 each relevant officer shall be indemnified out of the company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer:-

72.1.1.1 in the actual or purported execution and/or discharge of his duties, or in relation to them; and

72.1.1.2 in relation to the company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the company's (or any associated company's) affairs; and

72.1.2 the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in Article 73.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure. This Article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

72.2 In this Article:-

72.2.1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate, and

72.2.2 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor).

73. **Insurance**

73.1 The directors may decide to purchase and maintain insurance, at the expense of the company, for the benefit of any relevant officer in respect of any relevant loss.

73.2 In this Article:-

73.2.1 a "relevant officer" means any director or other officer or former director or other officer of the company or an associated company (including any such company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act, but excluding in each case any person engaged by the company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor),

73.2.2 a "relevant loss" means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the company, any associated company or any pension fund or employees' share scheme of the company or associated company, and

- 73.2.3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

PART 6
DEFERRED SHARES

74. Deferred shares

- 74.1 This Article 74 shall take precedence over any other provision of the Company's Articles.
- 74.2 The deferred shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the company.
- 74.3 Subject to the Act, any deferred shares may be purchased (or if issued as redeemable shares, redeemed) by the company at any time at its option for one penny for all the deferred shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).
- 74.4 The allotment or issue of deferred shares or the conversion or re-designation of shares into deferred shares shall be deemed to confer irrevocable authority on the company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
- 74.4.1 appoint any person to execute any transfer (or any agreement to transfer) such deferred shares to such person(s) as the company may determine (as nominee or custodian thereof or otherwise); and/or
- 74.4.2 give, on behalf of such holder, consent to the cancellation of such deferred shares; and/or
- 74.4.3 purchase such deferred shares in accordance with the Act,
- in any such case (i) for a price being not more than an aggregate sum of one penny for all the deferred shares registered in the name of such holder(s) and (ii) with the company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.
- 74.5 No deferred share may be transferred without the prior consent of the board of directors.
- 74.6 The deferred shares shall carry not rights or entitlements to any dividend or other distribution or any kind.
- 74.7 On a liquidation or a return of capital or a distribution of the proceeds of sale on a share sale or any other exit event, the assets of the Company available for distribution among the shareholders shall be applied (to the extent that the Company is lawfully permitted to do so), in the following order of priority:
- 74.7.1 first, in paying the holders of deferred shares, if any, a total of £1.00 for the entire class of deferred shares (which payment shall be deemed satisfied by payment to any one holder of deferred shares); and
- 74.7.2 the balance to the holders of ordinary shares in proportion to the number of ordinary shares held by them respectively.

- 74.8 The deferred shares shall carry no rights or entitlements whatsoever save as provided in this Article 74.
- 74.9 In this Article "deferred shares" means deferred shares of £0.0001 each in the company.

PART 7 TRANSFER OF SHARES

75. **Permitted Transfers**

- 75.1 A Shareholder (who is not a Permitted Transferee) (an "Original Shareholder") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 75.2 Shares previously transferred as permitted by article 75.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 75.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 75.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 75.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 75.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- 75.6.1 with the terms of the trust instrument and in particular with the powers of the trustees;
 - 75.6.2 with the identity of the proposed trustees;
 - 75.6.3 the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - 75.6.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 75.7 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Trustees or

to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board) to have given a Transfer Notice in respect of such Shares.

- 75.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:

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

75.8.2 give a Transfer Notice to the Company in accordance with Article 77.3,

failing which he shall be deemed to have given a Transfer Notice.

- 75.9 On the death (subject to Article 75.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

- 75.10 A transfer of any Shares approved by the Board and the Investor Majority may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.

76. **Mandatory Transfer on Founder ceasing to be an Employee and Director**

- 76.1 Unless the Board (excluding the Exiting Founder as defined in Article 76.2 below) decides otherwise, should a Founder cease to be both an employee and director of the Company within a period of four years from the Commencement Date then the provisions of this Article 76 shall apply.

- 76.2 On the date that the relevant Founder (the "**Exiting Founder**") ceases to be an employee and a director of the Company (the "**Termination Date**"), a transfer notice shall be deemed to be given by the Exiting Founder (the "**Founder's Transfer Notice**") to the Company at its registered office specifying those Founder Shares to be offered for transfer in accordance with the provisions of this Article 76.

- 76.3 The terms of the Founder's Transfer Notice shall be as follows:

(h) the number of Founder Shares to be offered shall be calculated in accordance with Article 76.4;

- (i) such Founder Shares shall first be offered to the other Founder (provided such Founder is an employee or director of the Company on the Termination Date) and then in accordance with Article 77;
- (j) the purchase price shall be the nominal value of the relevant Founder Shares set out in the Founder's Transfer Notice.

76.4 The number of Founder Shares to be offered by the Exiting Founder in the Founder's Transfer Notice shall be such number of Founder Shares equal to all of the Founder Shares multiplied by the following percentage (rounded up to two decimal places):

$$100 - (2.0833 \times \text{NM}),$$

where NM = number of full calendar months from the Commencement Date to the Termination Date.

- 76.5 Following the issue of the Founder's Transfer Notice, the other Founder shall have 30 days in which to accept the offer of those numbers of Shares offered to him (or such other number up to the maximum number of shares offered to him).
- 76.6 The Exiting Founder shall be bound to transfer to the other Founder the number of Founder Shares being purchased upon payment by the other Founder of the price payable for such number of Founder Shares, payment for which shall be made within 14 days of the acceptance of the offer in Article 76.5.
- 76.7 If in any case the Exiting Founder, after having become bound to sell any Founder Shares, fails to transfer any of them, the Directors may receive the purchase money which shall be paid into a separate bank account. The Directors shall, within a reasonable period, nominate some person to execute an instrument or instruments of transfer of the relevant Shares in the name and on behalf of the purchasing Founder and the Directors shall cause the name of the purchasing Founder to be entered in the register as the holder or holders of the relevant Shares and shall hold the purchase money in trust for the Exiting Founder but without being liable for interest. The receipt of a Director for the purchase money shall be a good discharge to the purchasing Founder and, after his name has been entered into the register, the validity of the proceedings shall not be questioned by any person.
- 76.8 Any shares not accepted for purchase by the other Founder or pursuant to Article 77, may be retained by the Exiting Founder, but the Exiting Founder shall no longer be treated as a Founder under the terms of the Subscription and Shareholders Agreement but shall be deemed to be an Other Shareholder (as defined in that agreement).

77. **Transfer of shares**

77.1 In this article 77 and article 78 the following definitions apply:

"Auditors" means independent auditors who (in default of agreement among the Vendor and those Shareholders who have accepted the offer) shall be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales;

"Bad Leaver" means a Shareholder (other than a Founder or an Investor) ceasing to be (i) an employee, or (ii) an officer

of the Company or (iii) a consultant acting in a personal capacity for the Company pursuant to a contract for services with the Company:

- (i) in circumstances justifying summary dismissal including without limitation for dishonesty or gross misconduct; or
- (ii) where such cessation occurs due to the voluntary resignation or voluntary termination of any of (i) his employment, (ii) his office, or (iii) his consultancy;
- (iii) due to his dismissal for lack of capability;

"Employee Trust" means a trust within the meaning of section 86 of the Inheritance Tax Act 1984;

"Fair Price" means the fair price of any Shares as certified by the Auditors (or in the event that the Auditors decline to act, such experienced valuer as shall be appointed on the application of the Company by the President of the Institute of Chartered Accountants);

"Good Leaver" means a Shareholder (other than a Founder or an Investor) *ceasing to be* (i) an employee, or (ii) an officer of the Company or (iii) a consultant acting in a personal capacity for the Company pursuant to a contract for services with the Company where such Shareholder is not a Bad Leaver;

"Offer Price" means the offer price (if any) at which Shares are offered in a Transfer Notice;

"Sale Shares" means Shares specified in a Transfer Notice served by a retiring Shareholder;

"Vendor" means any Shareholder desiring to sell or otherwise dispose of any Shares; and

"Warehouse" means a subsidiary of the Company or an Employee Trust established for the purposes of holding shares in the Company upon trust for employees, or past employees, or those to be appointed as employees in all cases of the Company.

77.2 The Directors shall not register any transfer of Shares in the Company save as expressly permitted by these articles.

77.3 Save where any transfer is made in accordance with either Article 75 or Article 76, any Vendor who wishes to transfer all or some of his shares shall deliver a Transfer Notice to the Company at its registered office specifying the number of Shares, the Offer Price (if any) and the third party (if any) to whom it is proposed

to transfer the Shares (the "Third Party Purchaser"). If an Offer Price is stipulated and either (i) any other Equity Shareholder states in writing that he does not accept the Offer Price or (ii) if the Transfer Notice makes no reference to the Offer Price, the Vendor and the relevant proposed purchaser shall attempt to agree the Offer Price but in the absence of agreement, any Shareholder may instruct the Auditors to certify the Fair Price of the Sale Shares.

- 77.4 The Fair Price shall be determined by the Auditors (acting as experts and not as arbitrators) on the basis of the fair value of the business of the Company, as a going concern at the date on which they are instructed to determine the Fair Price, as between a willing vendor and a willing purchaser and without any account being taken of whether the interest being sold is a minority or majority interest in the Company and, where the Transfer Notice is a Transfer Notice served pursuant to Article 78, taking into account the effect of the cessation of employment of the Vendor on the value of the Company. A Vendor may within 14 days of the issue of the Auditors' certificate, indicate in writing that he does not accept the Fair Price and that he does not wish to proceed to dispose of the Sale Shares but if the Vendor so indicates he shall bear the full cost of obtaining the Auditors' certificate. In all other circumstances the fees and expenses of the Auditors shall be paid as determined by the Auditors.
- 77.5 If the Board wish the Company to repurchase some or all of the Sale Shares, and provided the Company can comply with the provisions of the Act regarding repurchase of shares and, during the period of three years commencing on the date of acquisition of any EIS Shares, to the extent permitted by the EIS Provisions, any one of the remaining Shareholders shall give notice (the "Company Repurchase Notice") of that fact to the Vendor provided that such Company Repurchase Notice is served on the Vendor within 6 months of the Transfer Notice (the "Company Offer Period"). The Company Repurchase Notice shall set out the date for completion of the purchase of the Sale Shares (the "Company Completion Date") and the procedure to be followed by the Directors and the Company in respect thereof, as the Board shall procure.
- 77.6 If all the Sale Shares are not purchased by the Company on the Company Completion Date or if there is not given a Company Repurchase Notice during the Company Offer Period or if the Company Repurchase Notice is not capable of being given, the Board shall offer the remaining Sale Shares to the Warehouse subject to the Warehouse being able to comply with any provisions of the Act regarding funding of the Warehouse. The Warehouse shall if it wishes to purchase some or all of the remaining Sale Shares give notice of that fact ("Warehouse Purchase Notice") to the Board within 21 days of the end of the Company Offer Period or the Company Completion Date, as the case may be (the "Warehouse Offer Period"). The Board shall on receipt of a Warehouse Purchase Notice send a copy to the Vendor, who on receipt shall be obliged on receipt of the sale price from the Warehouse transfer the Sale Shares specified in the Warehouse Purchase Notice to the Warehouse.
- 77.7 If at the end of the Company Offer Period and the Warehouse Offer Period as the case may be there are any Sale Shares not sold, these shall be offered within 21 days of the expiry of the Company Offer Period and the Warehouse Offer Period as the case may be to such person who may be selected by the Board provided such offer is made and accepted within 21 days of the end of the Company Offer Period and the Warehouse Offer Period as the case may be (the "Replacement Offer Period").
- 77.8 If at the end of the Company Offer Period and the Warehouse Offer Period and the Replacement Offer Period as the case may be there are any Sale Shares not sold,

these shall be offered within seven days thereof to all the other Equity Shareholders other than the Vendor pro rata to their existing holding of Equity Shares.

- 77.9 Any Equity Shareholder to whom the offer under Article 77.8 is given who desires an allocation of Sale Shares in excess of his pro rata allocation shall in his reply state how many excess Sale Shares he desires to have. If all the Equity Shareholders do not claim their pro rata allocations, the unclaimed Sale Shares shall be applied in satisfying claims for excess Sale Shares in the proportion that those claims are made. If any Sale Shares are not capable, without fractions, of being offered to Equity Shareholders in proportion to their entitlement they shall (to the extent that fractions would arise) be offered to Equity Shareholders in the proportions determined by lots to be drawn under the direction of the Directors.
- 77.10 The Vendor shall be bound to transfer to each purchaser the number of Sale Shares being purchased upon payment by the purchaser of the Offer Price or the Fair Price (as the case may be), which payment shall be made within 14 days of the acceptance of the Offer Price or determination of the Fair Price (as the case may be).
- 77.11 If in any case the Vendor, after having become bound to sell any Sale Shares, fails to transfer any of them the Directors may receive the purchase money which shall be paid into a separate bank account. The Directors shall, within a reasonable period, nominate some person as attorney to execute an instrument or instruments of transfer of the relevant Sale Shares in the name and on behalf of the Vendor and the Directors shall cause the name of the relevant purchaser or purchasers to be entered in the register as the holder or holders of the relevant Sale Shares and shall hold the purchase money in trust for the Vendor but without being liable for interest. The receipt of a Director for the purchase money shall be a good discharge to the purchaser or purchasers and, after his or their names have been entered into the register, the validity of the proceedings shall not be questioned by any person.
- 77.12 If the Directors do not find an Equity Shareholder or Equity Shareholders willing to purchase all the Sale Shares the subject of a Transfer Notice, the Vendor shall, at any time within 90 days after that has been determined, be at liberty to sell and transfer the Sale Shares, or those for which the Directors shall not have found a purchaser or purchasers, to any third party named in the Transfer Notice or to any other third party for a cash price payable prior to transfer and being not less than the Offer Price (if any) or the Fair Price, if no Offer Price was specified in the Transfer Notice, subject to the absolute discretion of the Board to refuse to register such transfer. This Article 77.12 shall not apply to a deemed Transfer Notice.
- 77.13 No transfer of Shares or issue of new Shares shall be registered by the Board unless the transferee or subscriber of such Shares has executed and delivered a Deed of Adherence.

78. Good and Bad Leavers

- 78.1 In any case where a Shareholder (other than a Founder or an Investor) is a Director, employee or consultant of the Company and ceases to be so, he shall be deemed to have served a Transfer Notice pursuant to Article 77.3 in respect of his entire holding of Shares and the remaining provisions shall (subject to Article 77.2) apply.

- 78.2 The deemed Offer Price for a Bad Leaver shall be the par value of the Sale Shares and the deemed Offer Price for a Good Leaver shall be the Fair Value.

79. **Drag-along**

- 79.1 Subject to Article 79.13, if at any time an offer is made for Shares of the Company not already owned by the offeror or persons connected with the offeror and is accepted by persons together holding more than 50 per cent of the shares (other than the deferred shares) (the "Selling Shareholders") which would result if made and registered in a person (and any person who in relation to him is a connected person or with whom he is acting in concert as defined in The City Code on Takeovers and Mergers) holding or increasing a holding of more than 50% of the shares (other than the deferred shares), the Selling Shareholders shall have the option (the "Drag Along Option") to compel each other holder of Shares (each a "Called Shareholder" and together the "Called Shareholders") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "Drag Purchaser") in accordance with the provisions of this Article.
- 79.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Company which the Company shall as soon as reasonably practicable copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:
- 79.2.1 the Called Shareholders are required to transfer all their Shares (the "Called Shares") under this Article;
 - 79.2.2 the person to whom they are to be transferred;
 - 79.2.3 the consideration for which the Called Shares are to be transferred (which may be cash or non-cash consideration or a combination of both and which shall be calculated or determined in accordance with this Article 79);
 - 79.2.4 the proposed date of transfer, and
 - 79.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "Sale Agreement"),
- (and, in the case of Articles 79.2.2 to 79.2.4, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms unless such terms are (a) specifically provided for or referred to in this Article; or (b) apply equally (or on a substantially equivalent basis) to each Selling Shareholder that holds the same class of Shares (excluding for such purpose, in the case of Ordinary Shares only, any Founder or Employee who has agreed to alternative or additional terms not applicable to other Ordinary Shareholders).
- 79.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 79.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 74.7 (the "Drag Consideration"). Where the consideration (or any part thereof) is non-cash consideration, any valuation of such consideration applicable to the consideration payable to the Selling Shareholders shall also be applicable to the consideration payable to the Called Shareholders. The Drag Consideration may be subject to adjustment (on the basis of completion accounts or another similar mechanism) on the same terms as the consideration payable to the Selling Shareholders.
- 79.5 If any Shareholders are given an option as to the form of consideration to be received for any of their Shares, all Investors will be given the same option. Notwithstanding the above, but subject always to Article 79.4, any Founder or Employee that holds Shares (whether a Selling Shareholder or a Called Shareholder) may be offered a different form of consideration to other Shareholders.
- 79.6 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and:
- 79.6.1 may be required to accept that some or all of the Drag Consideration will be paid as deferred consideration, provided that the Called Shareholders shall receive any Drag Consideration due to them no later than the Selling Shareholders;
 - 79.6.2 may be required to make a contribution towards any escrow, retention of consideration or similar arrangement on the same basis as the Selling Shareholders, on a pro-rata basis to their respective entitlement to the Drag Consideration;
 - 79.6.3 shall be required to provide representations and warranties related to capacity, authority, ownership and the ability to convey title to the Called Shares, including, but not limited to, representations and warranties that the Called Shareholder holds all right, title and interest in and to the Called Shares such Called Shareholder purports to hold, free and clear of all encumbrances, on a several and not joint basis with any other person;
 - 79.6.4 shall not be required to give any other warranties or indemnities provided that liability in respect of warranties and/or indemnities given by the Selling Shareholders and/or the Company may be shared between all Shareholders pro-rata in proportion to their entitlement to the Drag Consideration but the overall liability of each Shareholder in respect of such warranties and indemnities shall be capped at an amount not exceeding the value of the Drag Consideration received or receivable by such Shareholder (except with respect to claims related to fraud by such Shareholder, the liability for which shall be unlimited); and
 - 79.6.5 no Called Shareholder shall be liable for the inaccuracy of any representation or warranty made by any other person in connection with the Drag-Along Sale, other than as set out in 79.6.4, except to the

extent that funds may be paid out of an escrow established to cover, or a holdback of the purchase monies in respect of, breach of representations, warranties and covenants as set out in 79.6.4.

79.7 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "Drag Completion Date"), each Called Shareholder shall deliver:

79.7.1 duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;

79.7.2 the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and

79.7.3 duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the "Drag Documents").

79.8 On the Drag Completion Date, the Drag Purchaser (or, to the extent the Drag Purchaser has paid such consideration to the Company, the Company on behalf of the Drag Purchaser) shall:

79.8.1 pay or otherwise deliver or make available to each Called Shareholder the Drag Consideration that is due (less any amount to be deducted or retained pursuant to this Article or pursuant to any Sale Agreement, including in respect of transaction fees and expenses); and/or

79.8.2 if the consideration (or any part thereof) is non-cash consideration, the Drag Purchaser shall satisfy the consideration due to the Called Shareholders through the issue of shares or securities or the payment or transfer or other settlement of any other non-cash consideration which forms the non-cash consideration due to be issued, paid, transferred or otherwise settled to the Called Shareholders.

79.9 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Called Shareholders (or to the Company on their behalf) or, in the case of any non-cash consideration, to the extent the Drag Purchaser has not made available or settled such non-cash consideration or satisfied the Board that the Drag Purchaser is in a position to issue, pay, transfer or otherwise settle such non-cash consideration, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 79 in respect of the relevant Drag Along Notice (without prejudice to any party's right to serve a further Drag Along Notice at any time thereafter).

79.10 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 79 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date:

79.10.1 paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to him; and/or

79.10.2 in the case of any non-cash consideration, has otherwise made available or settled such non-cash consideration or has satisfied the Board that the Drag Purchaser is in a position to issue, pay, transfer or otherwise settle such non-cash consideration.

The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

79.11 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to any rights of pre-emption whether contained in these Articles, any shareholders' agreement relating to the Company or otherwise.

79.12 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

79.13 During the period of 24 months from the Date of Adoption the exercise of the Drag-along Option shall require Nationwide Consent if the terms of the offer by the Drag Purchaser are such that the Participating Investors (as defined in the Subscription and Shareholders' Agreement) shall receive less than 2 x the Subscription Price for each Equity Share held by the Participating Investors.

Asset Sale

79.14 In the event that an Asset Sale is approved by the Board and the holders of 75 per cent of the Shares including an Investor Majority, such consenting Shareholders shall have the right, by notice in writing to all other Shareholders, to require such other Shareholders to take any and all such actions as it may be necessary for Shareholders to take in order to give effect to or otherwise implement such Asset Sale, subject always to the proceeds from such Asset Sale being distributed to Shareholders in accordance with the provisions of Article 74.7.

80. Tag-along

If a transfer of any Shares would result if made and registered in a person (and any other person who in relation to him is a Connected Person or with whom he is acting in concert as defined in The City Code on Takeovers and Mergers) holding, or increasing the holding of, more than 50 per cent of the Equity Shares then no such transfer shall be made unless the proposed transferee has made an offer in writing to acquire the other Shares at exactly the same price and on exactly the same terms relating to price as it is proposed they acquire such Equity Shares together with the relevant proportion of any other consideration in cash or otherwise received or receivable by the proposed transferors 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 except that such offer must be open for acceptance for at least 21 days and if the proposed transferee or a person connected with him has acquired any other Shares in the period of six months prior to such offer at a higher price then the terms of such offer shall be increased to equal the highest price paid by any such persons in that period.

PART 8 VARIATION OF RIGHTS

81. Variation of Rights

- 81.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued shares of that class provided that, whether or not the share capital of the Company is divided in to different classes of shares, this Article 81 and the rights attaching to the Ordinary Shares set out in Article 81.2 may only be varied or abrogated with Nationwide Consent.
- 81.2 For the purposes of Article 81.1 and subject to Article 81.3, the special rights attached to the Ordinary Shares that shall require Nationwide Consent for any variation or abrogation are the rights set out in the following Articles:
- 81.2.1 Article 48 (rights to participate in any dividend);
 - 81.2.2 Articles 39.2, 39.6 and 39.7 (pre-emption rights in relation to the issue of any new shares);
 - 81.2.3 Article 74.7 (rights to participate on a liquidation or a return of capital or a distribution of the proceeds of sale on a share sale or any other exit event);
 - 81.2.4 Article 80 (tag-along rights); and
 - 81.2.5 Article 79.13.
- 81.3 For the avoidance of doubt and without limitation the creation of a new class of shares which has preferential rights to the Ordinary Shares shall not constitute a variation of the special rights of the Ordinary Shares.