

Company number: 08776674

THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS

-of-

THE VAMPIRE'S WIFE LIMITED (the "Company")

Passed 15 February 2019

The following resolutions were duly passed on the date stated above as written resolutions by the requisite members, pursuant to chapter 2 of part 13 of the Companies Act 2006.

**ORDINARY RESOLUTIONS**

1.	<b>THAT</b> , in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot ordinary shares of £0.01 each in the capital of the Company up to an aggregate nominal amount of £181.53 (" <b>Ordinary Shares</b> "), provided that this authority shall, unless renewed, varied or revoked by the Company prior to such date, expire five (5) years from the date of passing of this Resolution.
2.	<b>THAT</b> , in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot preferred shares of £0.01 each in the capital of the Company up to an aggregate nominal amount of £565.69 (" <b>Preferred Shares</b> "), provided that this authority shall, unless renewed, varied or revoked by the Company prior to such date, expire five (5) years from the date of passing of this Resolution.
3.	<b>THAT</b> , in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to grant to existing employees, directors and consultants of or to the Company, pursuant to the share option plan to be established by the Company, option (" <b>Options</b> ") to subscribe for up to 4,200 Ordinary Shares and to allot such shares pursuant to the exercise of Options, provided that this authority shall expire on the date falling five (5) years from the date of this Resolution, unless renewed, varied or revoked by the Company prior to such expiry, save that the Company may, before such expiry, make an offer or agreement which would or might require Options to be granted (or shares to be allotted pursuant to the exercise of such Options) and the directors may grant Options of allot such shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

**SPECIAL RESOLUTIONS**

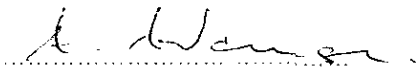
4.	<b>THAT</b> , in accordance with section 188 of the Act, the provisions in the service agreement to be entered into between the Company and Alexandra Adamson, a director of the Company, pursuant to which she will be guaranteed a minimum term of employment with the Company of five (5) years, be
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	approved.
5.	<b>THAT</b> , in accordance with section 188 of the Act, the provisions in the service agreement to be entered into between the Company and Susie Cave, a director of the Company, pursuant to which she will be guaranteed a minimum term of employment with the Company of five (5) years, be approved.
6.	<b>THAT</b> , in accordance with section 570 of the Act, the directors of the Company are generally empowered to allot the equity securities described in Resolutions 1, 2 and 3 above as if the pre-emption provisions in the articles of association of the Company did not apply to such allotment and any rights of pre-emption in connection therewith are hereby waived.
7.	<b>THAT</b> , the articles of association attached hereto as <b>Exhibit A</b> 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

Company Number: 08776674

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

**ARTICLES OF ASSOCIATION**  
**of**  
**THE VAMPIRE'S WIFE LIMITED**

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**THE VAMPIRE'S WIFE LIMITED**

(Adopted by a written resolution passed on 15 February 2019)

**1. INTRODUCTION**

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 Model Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 19, 21, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 51, 52 and 53 shall not apply to the Company.
- 1.3 In these Articles and the Model Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.4 In these Articles, Article headings are used for convenience only and shall not affect the construction or interpretation of these Articles and words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

**2. DEFINITIONS AND INTERPRETATION**

- 2.1 In these Articles, the following words and expressions shall have the following meanings:

"**Act**" means the Companies Act 2006 (as amended from time to time);

"**Acting in Concert**" has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

"**Anti-Dilution Shares**" shall have the meaning given in Article 9.1;

"**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 (which shall include, without limitation, the grant by the Company of an exclusive licence of all or substantially all of the intellectual property not entered into in the ordinary course of business);

"**Associate**" in relation to any person means:

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

(c) any Member of the same Fund Group;

**"Auditors"** means the auditors of the Company from time to time or, if the Company has lawfully not appointed auditors, its accountants for the time being;

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

**"Board"** means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles;

**"Bonus Issue" or "Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available to the Preferred Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares (other than Preferred Shares) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company in each case other than shares issued as a result of the events set out in paragraphs (a) to (g) of the definition of New Securities;

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

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

**"Company"** means The Vampire's Wife Limited (company number 08776674);

**"Completion Date"** has the meaning given in the Subscription and Shareholders' Agreement;

**"Connected"** has the meaning given in Section 1122 of CTA 2010;

**"Controlling Interest"** means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of CTA 2010;

**"Conversion Date"** has the meaning given in Article 8.2;

**"Conversion Ratio"** has the meaning given in Article 8.6;

**"CTA 2010"** means the Corporation Tax Act 2010;

**"Data Protection Legislation"** means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Privacy and Electronic Communications Directive 2002/58/EC (as amended), the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as amended) and all applicable laws and regulations relating to processing of personal data, including where applicable the guidance and codes issued by the Information Commissioner or other appropriate supervisory authority;

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

**"Deferred Shares"** means deferred shares of £0.01 each in the capital of the Company from time to time;

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

**"Dragging Shareholders"** has the meaning set out in Article 21.1 of these Articles;

**"Employee"** means an individual who is employed by or who provides consultancy services to the Company or any member of the Group;

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

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

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

**"Expert Valuer"** is as determined in accordance with Article 17.2;

**"Fair Value"** is as determined in accordance with Article 17;

**"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;

**"Financial Year"** means an accounting reference period (as defined by the Act) of the Company;

**"Founders"** (and each a **"Founder"**) means Susie Cave and Alexandra Adamson;

**"Founder Directors"** means the directors appointed by the Founders in accordance with clause Articles 24.11 and 24.12, and **"Founder Director"** shall mean any one of them;

**"Fully Diluted Equity"** means at any point in time, the aggregate of:

- (a) the number of Equity Shares then in issue and outstanding; and
- (b) the number of Equity Shares which would be in issue assuming the exercise in full of all share options and rights to subscribe or convert into Equity Shares (whether immediately exercisable or not), which would, when exercised, result in an increase in the number of Equity Shares issued and outstanding;

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

**"GBP"** means United Kingdom Pound Sterling;

**"Group"** means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **"Group Company"** shall be construed accordingly;

**"Holding Company"** means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company immediately prior to such transfer;

**"Investor Director"** means such director of the Company nominated by the Lead Investor under Article 24.3;

**"Investor Majority"** means the holder(s) from time to time of more than 50% of the Preferred Shares;

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

**"Lead Investor"** means NOT TODAY, LLC and its Permitted Transferees;

**"Issue Price"** means the price at which the relevant Share is issued, including any premium, provided that the Issue Price of any Anti-Dilution Shares shall be deemed to be the Issue Price of those Shares held by a Shareholder which carried the right to have issued such Anti-Dilution Shares;

**"a Member of the same Fund Group"** means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or is a nominee of that Investment Fund:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any Investment Fund managed or advised by that Fund Manager;
- (c) any Parent Undertaking or Subsidiary Undertaking of that Fund Manager, or any Subsidiary Undertaking of any Parent Undertaking of that Fund Manager; or
- (d) any trustee, nominee or custodian of such Investment Fund and vice versa;

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

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption, other than shares or securities issued as a result of:

- (a) options to subscribe for Ordinary Shares granted under any Share Option Plan and the issue of Ordinary Shares pursuant to the exercise of such options;
- (b) new securities issued or granted in order for the Company to comply with its obligations under Article 9;
- (c) shares or securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Board;
- (d) shares or securities issued in connection with strategic partnership transactions approved by the Board;
- (e) shares or securities issued pursuant to a venture debt or other debt financing transaction approved in writing by the Board; or
- (f) shares or securities issued upon the occurrence of a Qualifying IPO.

**"Offer Notice"** shall have the meaning given in Article 22.1.

**"Ordinary Shares"** means the ordinary shares of £0.01 each in the capital of the Company from time to time;

**"Original Shareholder"** has the meaning given to it in Article 15.1;

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 15;

**"Permitted Transferee"** means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group;
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group;
- (d) in relation to the Lead Investor, any affiliate of Jimmy Iovine or the Jimmy Iovine Revocable Trust or a spouse or any direct descendent of Jimmy Iovine.

**"Personal Data"** has the same meaning as the term "personal data" under the Data Protection Legislation;

**"Preference Amount"** means, in relation to any Preferred Shares, a price per share equal to the amount paid up or credited as paid up (including premium) for such shares plus any accrued but unpaid dividends together with all interest and other amounts payable in relation to such shares;

**"Preference Dividend"** has the meaning given in Article 4.6;

**"Preferred Shares"** means preferred shares of £0.01 each in the capital of the Company from time to time;

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

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale, less the reasonable external costs and expenses incurred by the Company in such Share Sale;

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

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

**"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);

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

**"Qualifying IPO"** means the first underwritten public offering of the shares of the Company (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or a primary listing of any class of equity interests of the Company on the Official List of the UK Financial Conduct Authority, and to trading on the London Stock Exchange's market for listed securities on the Official List of the United Kingdom Listing Authority or admission to trading on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in

section 285 of the Financial Services and Markets Act 2000) at an issue price per share of at least five times the Starting Price;

**"Relevant Equity Holder"** has the meaning given in Article 20.2;

**"Relevant Interest"** has the meaning given in Article 26.2;

**"Sale Shares"** means the number of Shares a Shareholder wishes to transfer;

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

**"Share Option Plan(s)"** means the share option plan(s) of the Company;

**"Shares"** means the Ordinary Shares, the Preferred Shares and the Deferred Shares (if any);

**"Share Sale"** means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

**"Starting Price"** means £27.32 (if applicable, adjusted as referred to in Article 9.3);

**"Subscription and Shareholders' Agreement"** the subscription and shareholders' agreement relating to the Company dated on or around the date hereof and as amended from time to time;

**"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking"** have the meanings set out in the Act;

**"Transfer Notice"** has the meaning given in Article 16.2; and

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

- 2.2 In respect of any actions or matters requiring the acceptance, approval, agreement or consent or words having similar effect of the Investor Director under these Articles, if at any time there is no Investor Director appointed, the prior written consent of the Lead Investor shall be required.

### **3. SHARE CAPITAL**

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.
- 3.2 Except as otherwise provided in these Articles, the Preferred Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.
- 3.3 Subject to the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.
- 3.4 The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical, electronic or other means or may be printed on them. Article 24(5) of the Model Articles shall be amended accordingly.

#### **4. DIVIDENDS**

- 4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2 Save where Article 4.6 applies, the holders of Equity Shares shall be entitled to participate in any distribution of Available Profits which the Company may determine to distribute *pari passu* with any other class or classes of Equity Share to whom such distribution is made (such that Equity Shares of different classes constituted one class of share) *pro rata* to their respective holdings of Equity Shares.
- 4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365 day year. All dividends should be paid in cash.
- 4.5 The holders of Deferred Shares shall not be entitled to participate in any distribution of Available Profits.

##### *Preference Dividend*

- 4.6 The Company will, without any need for a resolution of the Company but with the approval of the Board in its sole discretion and before application of any profits to reserve or for any other purpose, pay in respect of each Preferred Share a fixed cumulative cash preferential dividend (the "**Preference Dividend**") at the annual rate of 6 per cent of the Issue Price per Preferred Share, and to be paid on an Exit or Conversion Date or on the winding up of the Company to the person registered as its holder on the relevant date.
- 4.7 The Preference Dividend shall be compounded on the last Business Day of each 12 month period commencing on the Date of Adoption.
- 4.8 If the Company is unable to pay in full on the due date any Preference Dividend by reason of having insufficient Available Profits then it will on that date pay it to the extent that it is then lawfully able to do so. Any Preference Dividend which is not paid on the due date as aforesaid shall be paid as soon as the Company has sufficient Available Profits and shall be paid in one or more instalments.
- 4.9 Unless the Company has insufficient Available Profits, the Preference Dividend will, notwithstanding that it is expressed to be cumulative, automatically become a debt due from and immediately payable by the Company on the payment date specified in Article 4.6. If and to the extent that the debt so constituted is not paid in full on that date, the unpaid amount will carry interest at an annual rate of 4 per cent above the base rate from time to time of the Bank of England, calculated on a daily basis over a 365 day year from and including the date any sum becomes due to the actual date of payment, compounded to the end of each calendar month in respect of the period from that date up to (and including) the date of actual payment.
- 4.10 Articles 30(2) and 32 of the Model Articles shall not apply to the Preference Dividend.

#### **5. LIQUIDATION PREFERENCE**

- 5.1 On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after the payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so);
  - (a) first, in paying to each of the holders of Preferred Shares, in priority to any other classes of Shares, the greater of:

- (i) an amount per Preferred Share equal to the Preference Amount (provided that if there are insufficient surplus assets to pay such amounts per share equal to the Preference Amount in full, the remaining surplus assets shall be distributed to the holders of Preferred Shares pro rata to their respective holdings of Preferred Shares); or
  - (ii) an amount per share equivalent to that which the holders of Preferred Shares would have received had the Preferred Shares converted into Ordinary Shares in accordance with Article 8 immediately prior to such liquidation or return of capital;
- (b) second, in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
- (c) the balance of the surplus assets shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

## **6. EXIT PROVISIONS**

6.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares sold in connection with that Share Sale if the Proceeds of Sale are not so distributed provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and
- (b) the Shareholders shall take any action as is necessary to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 5.

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

## **7. VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS**

7.1 The Equity Shares shall confer on each holder the right to receive notice of and to attend, speak and vote (on an as converted basis) at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.

7.2 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.

7.3 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

- 7.4 No voting rights attached to a share which is nil paid or partly paid may be exercised:
- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
  - (b) on any proposed written resolution,

unless all of the amounts payable to the Company in respect of that share have been paid.

## **8. CONVERSION OF PREFERRED SHARES**

- 8.1 Preferred Shares shall convert into Ordinary Shares on the terms of this Article 8 and the corresponding share capital of the Company shall automatically be re-designated accordingly.
- 8.2 Any holder of Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all or any part of the Preferred Shares held by them at any time. Those Preferred Shares specified in such notice shall convert automatically on the date stated in such notice (the "**Conversion Date**").
- 8.3 All of the Preferred Shares shall automatically convert into Ordinary Shares immediately upon the request of an Investor Majority (including the Lead Investor) and the Conversion Date shall be the date of the notice duly requesting such conversion sent by such Investor Majority to the Company and the other holders of Preferred Shares.
- 8.4 All of the Preferred Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of a Qualifying IPO. Where conversion is mandatory on the occurrence of a Qualifying IPO, that conversion will be effective only immediately prior to such Qualifying IPO (and "**Conversion Date**" shall be construed accordingly) and, if such Qualifying IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred.
- 8.5 At least five Business Days after the Conversion Date (or in the case of Article 8.4, at least five Business Days prior to the occurrence of the Qualifying IPO), each holder of the relevant Preferred Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted for such shares to the Company at its registered office for the time being.
- 8.6 On the Conversion Date, the relevant Preferred Shares shall without further authority than is contained in these Articles stand converted into such number of Ordinary Shares (subject to any adjustment in accordance with Article 8.8) as is calculated by dividing the Preference Amount of the Preferred Shares being converted by the Starting Price (the "**Conversion Ratio**"), rounded down to the nearest whole number, and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 8.7 The Company shall on the Conversion Date enter the holder of the converted Preferred Shares on the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for any lost certificate in a form acceptable to the Board) in respect of the Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Preferred Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.
- 8.8 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article:
- (a) if Preferred Shares remain capable of being converted into Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with the consent of the

Investor Director) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Preferred Shares is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division; or

- (b) if Preferred Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount, which in the opinion of the Board (with the consent of the Investor Director) is fair and reasonable, to maintain the right to convert so as to ensure that each holder of Preferred Shares is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue.

- 8.9 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 8.8, or if so requested by the Lead Investor, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.

## 9. ANTI-DILUTION PROTECTION

- 9.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a "**Qualifying Issue**") (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless the Investor Majority shall have specifically waived the rights of all of the holders of Preferred Shares, issue to each holder of Preferred Shares (the "**Exercising Investor**") a number of new Preferred Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 9.3 (the "**Anti-Dilution Shares**"):

$$N = \left( \left( \frac{SIP}{WA} \right) \times Z \right) - Z$$

Where:

N = Number of Anti-Dilution Shares to be issued to the Exercising Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)}$$

SIP = Starting Price;

ESC = the number of Equity Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue;

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security);

NS = the number of New Securities issued pursuant to the Qualifying Issue; and

Z = the number of Preferred Shares held by the Exercising Investor prior to the Qualifying Issue.

**9.2 The Anti-Dilution Shares shall:**

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 9.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 9.1 or this Article 9.2, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and
- (b) subject to the payment of any cash payable pursuant to Article 9.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank pari passu in all respects with the existing Preferred Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 9.2(a).

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

**9.4** For the purposes of this Article 9 any Shares held as treasury shares by the Company shall be disregarded when calculating the number of Anti-Dilution Shares to be issued.

**10. DEFERRED SHARES**

**10.1** Subject to the Act, any Deferred Shares may be purchased or (in the case of Shares 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).

**10.2** 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:

- (a) 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
- (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
- (c) 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.

**10.3** No Deferred Share may be transferred without the prior consent of the Board.

## **11. VARIATION OF RIGHTS**

- 11.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class.
- 11.2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares.

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

- 12.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of equity securities made by the Company.
- 12.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on pari passu and pro rata basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:
- (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities; and
  - (b) may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which he is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 12.3 If, at the end of the Subscription Period, the number of New Securities applied for exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Equity Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 12.4 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 12.5 Subject to Articles 12.2 to 12.4 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 12.6 No Shares shall be allotted to any Employee, Director, prospective employee or director tax resident in the United Kingdom unless such person has entered into a joint section 431 ITEPA election with the Company for the full disapplication of Chapter 2 of Part 7 of ITEPA.
- 12.7 The Lead Investor may assign all or any portion of its rights under this Article 11 to a Permitted Transferee.

### **13. LIEN**

The Company shall have a first and paramount lien on every Share not fully paid for all and any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

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

14.1 In Articles 14 to 21 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share but it does not include, in situations where the holder subscribed for or purchased the Share as nominee for one or more beneficial owners (other than a Founder):

- (a) the transfer, assignment or other disposal of a beneficial or other interest in, or the creation of a trust or encumbrance over or the renunciation or assignment of any rights to receive or subscribe for a beneficial or other interest in, a Share provided that the nominee that holds a legal interest in such Share remains the same;
- (b) the transfer, assignment or other disposal of a legal interest in, or the creation of a trust or encumbrance over or the renunciation or assignment of any rights to receive or subscribe for a legal interest in, a Share from the nominee to any person who has a beneficial or other interest in that Share, provided that notice of such transfer is given to the Company; or
- (c) the transfer, assignment or other disposal of a legal interest in, or the creation of a trust or encumbrance over or the renunciation or assignment of any rights to receive or subscribe for a legal interest in, a Share from the nominee to any person who is to hold the Share as nominee for that beneficial owner in substitution for the then registered shareholder.

14.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

14.3 Other than Permitted Transfers, none of:

- (a) save with the prior written consent of the Lead Investor, each of the Founders, Brian Message, Nick Cave or any of their Permitted Transferees; or
- (b) save with the prior written consent of a Founder, the Lead Investor or any of its Permitted Transferees,

may transfer:

- (c) for a period of 36 months from the Date of Adoption, any of their Shares held as at the Date of Adoption; and
- (d) for the period commencing 36 months from the Date of Adoption and ending 60 months from the Date of Adoption, more than 20 per cent. of their Shares held as at the Date of Adoption.

14.4 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

14.5 Any transfer of a Share by way of sale which is required to be made under Articles 16 to 21 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

14.6 The Directors may refuse to register a transfer if:

- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
- (b) the transfer is to an Employee, Director or prospective Employee or prospective Director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
- (c) it is a transfer of a Share which is not fully paid:
  - (i) to a person of whom the Directors do not approve; or
  - (ii) on which Share the Company has a lien;
- (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
- (e) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for such lost certificate in a form reasonably acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (f) the transfer is in respect of more than one class of Shares; or
- (g) the transfer is in favour of more than four transferees.

If the Directors refuse to register a transfer, 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.

14.7 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 14.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

14.8 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company such information and evidence as the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:
  - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or on a written resolution of the class in question); or

- (ii) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in (a) above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in (b) above.

- 14.9 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.
- 14.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 14.11 If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:
  - (a) the Transfer Price for the Sale Shares will be as agreed between the Board (the votes of any director who is also a Proposed Seller or with whom the Proposed Seller is Connected being disregarded) and the Proposed Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares; and
  - (b) the Proposed Seller wishes to transfer all of the Shares held by it.

## 15. PERMITTED TRANSFERS

- 15.1 Any Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 15.2 Shares previously transferred as permitted by Article 15.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 15.3 Where under the provision of a deceased Shareholders' 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 without restriction as to price or otherwise.
- 15.4 In the case of bankruptcy of a Shareholder, a person entitled to the Share(s) shall be entitled to transfer such Share(s) to Permitted Transferee(s) of such bankrupt Shareholder provided such transfer takes place within one year of such event.
- 15.5 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.
- 15.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
  - (a) with the terms of the trust instrument and in particular with the powers of the trustees;
  - (b) with the identity of the proposed trustees;

- (c) the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
  - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 15.7 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 Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 15.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company,
- failing which he shall be deemed to have given a Transfer Notice.
- 15.9 On the death, 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.
- 15.10 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by the Board (including the Investor Director).
- 15.11 A transfer of any Shares approved by special resolution may be approved by the Board and made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 16. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**
- 16.1 Save where the provisions of Articles 15, 19, 20 and 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 16.
- 16.2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");
  - (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee; and

- (c) the price at which he wishes to transfer the Sale Shares.

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the "**Transfer Price**") must be agreed by the Board (including the Investor Director). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (including the Investor Director). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

- 16.3 Except with the consent of the Board (including the Investor Director), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

- 16.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

- 16.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 14.11,

the Board shall offer the Sale Shares for sale in the manner set out in Article 16.6. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

- 16.6 *Transfers: Offer*

- (a) The Board shall offer the Sale Shares to all holders of Equity Shares other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Equity Shares bears to the total number of Equity Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 16.7(d).

- 16.7 *Completion of transfer of Sale Shares*

- (a) The Board shall, when no further offers are required to be made under Article 16.6 and once the requirements of Article 19 has been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 5 Business Days nor more than 10 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (b) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

- (c) If the Seller fails to comply with the provisions of Article 16.7(b):
  - (i) the chairman of the Company or, failing her, one of the Directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (B) receive the Transfer Price and give a good discharge for it; and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for any lost certificate, in a form acceptable to the Board).
- (d) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 16.7(e), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.
- (e) The right of the Seller to transfer Shares under Article 16.7(d) does not apply if the Board is of the opinion on reasonable grounds that:
  - (i) the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

16.8 The Lead Investor may assign all or any portion of its rights under this Article 16 to its Permitted Transferee(s).

16.9 The restrictions imposed by this Article 16 may be waived in relation to any proposed transfer of shares (the "**Transfer Shares**") with the consent of the Board and the consent of the Shareholders who together hold seventy-five per cent. (75%) or more of the Equity Shares held by the Shareholders.

## 17. VALUATION OF SHARES

17.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 14.11, 16.2 or 22 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 17.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair

Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

17.2 The Expert Valuer will be either:

- (a) the Auditors; or
- (b) (if otherwise agreed by the Board (including the Investor Director) and the Seller) an independent firm of Chartered Accountants to be agreed between the Board (including the Investor Director) and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

17.3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer as at the date the Transfer Notice was served (or deemed served) ;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and
- (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

17.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

17.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.

17.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).

17.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.

17.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.

17.9 The cost of obtaining the certificate shall be paid by the Company unless:

- (a) the Seller cancels the Company's authority to sell; or
- (b) the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.

## **18. COMPULSORY TRANSFERS**

- 18.1 Subject to Article 15.4, a person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 18.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or
  - (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholders.

If either requirement in this Article 18.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.

- 18.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferee) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferee save to the extent that, and at a time, the Directors may determine.
- 18.4 If there is a change in control (as control is defined in section 1122 of CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This Article 18.4 does not apply to the Lead Investor.

## **19. MANDATORY OFFER ON CHANGE OF CONTROL**

- 19.1 Except in the case of Permitted Transfers and transfers pursuant to Article 18, the provisions of Article 19.2 will apply if one or more Proposed Sellers proposes to transfer in one or a series of related transactions any Equity Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.
- 19.2 A Proposed Seller must, before making a Proposed Transfer, procure the making by the Proposed Purchaser of an offer (the "**Offer**") to all other holders of Equity Shares to acquire all of the Equity Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 19.7).
- 19.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**"). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").

- 19.4 If any other holder of Equity Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 19.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional on the completion of the purchase of all the Shares held by Accepting Shareholders.
- 19.6 The Proposed Transfer is subject to the pre-emption provisions of Article 16 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 16.
- 19.7 For the purpose of this Article:
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
  - (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
    - (i) in the Proposed Transfer; or
    - (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 19.7(c) of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**"); provided, that, the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Articles 5 and 5.1; provided, further, that, the total consideration paid with respect to the Preferred Shares shall be an amount equal to or greater than the Preference Amount therefor.
  - (c)  $\text{Relevant Sum} = C \div A$ 

where:            A = number of Equity Shares being sold in connection with the relevant Proposed Transfer; and

C = the Supplemental Consideration.

## 20. CO-SALE

- 20.1 No transfer (other than a Permitted Transfer) of any of the Ordinary Shares may be validly registered unless the relevant Shareholder (a "**Selling Shareholder**") shall have observed the following procedures of this Article 20 unless the Lead Investor has determined in writing that this Article 20 shall not apply to such transfer.
- 20.2 After the Selling Shareholder has gone through the pre-emption process set out in Article 16 the Selling Shareholder shall give to each holder of Preferred Shares and each Shareholder who individually holds five per cent or more of the Fully Diluted Equity from time to time (together the "**Relevant Equity Holders**") not less than 10 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify:
- (a) the identity of the proposed purchaser (the "**Buyer**");

- (b) the price per share which the Buyer is proposing to pay for each Ordinary Share;
- (c) the manner in which the consideration is to be paid, and other material terms and conditions of such proposed sale;
- (d) the number of Ordinary Shares which the Selling Shareholder proposes to sell; and
- (e) the address where the counter-notice should be sent.

20.3 Without limitation to clause 14.3, each Relevant Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Relevant Equity Holder wishes to sell. The maximum number of shares which a Relevant Equity Holder can sell under this procedure shall be:

$$\left(\frac{x}{y}\right) \times Z$$

where

X is the number of Equity Shares held by the Relevant Equity Holder;

Y is the total number of Equity Shares held by all holders from time to time of the Equity Shares; and

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

Any Relevant Equity Holder who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Equity Shares.

20.4 Following the expiry of five Business Days from the date the Relevant Equity Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Relevant Equity Holders a number of Equity Shares not exceeding the number specified in the Co-Sale Notice less any shares which Relevant Equity Holders have together indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Relevant Equity Holders the number of shares they have respectively indicated they wish to sell on terms contemplated by this Article 20 and otherwise on terms no less favourable than those obtained by the Selling Shareholder from the Buyer.

20.5 Sales made in accordance with this Article 20 shall not be subject to Article 16.

## 21. DRAG-ALONG

21.1 If the holders of seventy-five per cent (75%) of the Equity Shares (to include the Lead Investor) (the "**Dragging Shareholders**") wish to transfer all their interest in Shares (the "**Dragging Shares**") to a Proposed Purchaser, the Dragging 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 Articles 21.2 to 21.10 (inclusive).

21.2 The Dragging Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Dragging Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

- (a) the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;

- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Called Shares are to be transferred;
- (d) the proposed date of transfer, and
- (e) 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 paragraphs (b) to (d) above, 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 except those specifically provided for in this Article.

21.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Dragging Shares by the Dragging Shareholders to the Drag Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Dragging Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

21.4 The consideration (in cash or qualified publicly traded securities) 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 Dragging Shares in accordance with the provisions of Articles 5 and 6 (the "**Drag Consideration**").

21.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document (as defined in Article 21.6 below), no Called Shareholder shall be bound by the Drag Along Notice unless:

- (a) any representations and warranties to be made by such Called Shareholder in connection therewith are limited to authority, ownership and the ability to convey title;
- (b) such Called Shareholder shall not be liable for the inaccuracy of any representation or warranty made by any other person, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders);
- (c) the liability of such Called Shareholder is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders), and is pro rata in proportion to, and does not exceed, the amount of consideration received by such Called Shareholder in connection with such proposed transaction;
- (d) liability is limited to such Called Shareholder's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such proposed transaction) of a negotiated aggregate indemnification amount that applies equally to all Shareholders but that in no event exceeds the amount of consideration otherwise received by such Called Shareholder in connection with such proposed transaction, except with respect to claims related to fraud by such Called Shareholder, the liability for which need not be limited as to such Called Shareholder;
- (e) upon the consummation of the proposed transaction, each holder of each class of the Company's shares will receive the same form of consideration for its shares of such class as is received by other holders in respect of their shares of such same class of shares as contemplated by Articles 5 and 6;

- (f) the Lead Investor shall not be required to agree to any noncompetition covenant or other restriction on activities; and
  - (g) such Called Shareholder shall not be required to give any release of claims other than a release that is limited to its role as a shareholder or employee of the Company.
- 21.6 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:
- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
  - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
  - (c) 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**" and each a "**Drag Document**").
- 21.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 21.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, 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 21 in respect of their Shares.
- 21.9 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 21 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, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 21.10 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 the provisions of Article 16.
- 21.11 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.

## 22. LEAD INVESTOR REPURCHASE RIGHT

- 22.1 The Lead Investor shall have the right, at any time on or after the fifth anniversary of the Date of Adoption, to offer all (but not some only) of its Shares (the "**Investor Shares**") for sale by

notice in writing to the Company (an "**Offer Notice**") specifying the number and the price at which the Investor Shares are to be transferred (the "**Offer Price**") and specifying that such offer made pursuant to this Article 22.1. The Offer Price for the Investor Shares shall be equal to the greater of: (a) the Preference Amount therefor and (b) the applicable Fair Value thereof.

22.2 As soon as practicable following the later of:

- (a) receipt of an Offer Notice; and
- (b) in the case where the Offer Price has not been agreed, the determination of the Offer Price under Article 17,

the Board shall give notice in writing to each of the Shareholders (other than the Lead Investor) of the number and price of the Investor Shares with details of any other applicable material terms and shall invite each of them to state in writing within 6 months after the date of the notice (the "**Acceptance Period**") whether it is willing to purchase any Investor Shares and, if so, what maximum number it is willing to purchase.

22.3 If, within the Acceptance Period, one or more Shareholders has or have expressed willingness to purchase all of the Investor Shares the subject of the Offer Notice, the Directors shall notify the Lead Investor in writing of this and within 14 days thereafter shall proceed to allocate the relevant Investor Shares to those Shareholders pro rata to the nominal amount of their existing holding of shares. If this would otherwise result in allocating to one or more Shareholders a number of shares exceeding their requests, then the surplus Investor Shares shall be redistributed among such other Shareholders who have expressed a willingness to purchase such Investor Shares pro rata, as nearly as practicable, to the nominal amount of their holdings of shares, but only up to the amount of their respective requests, and this procedure shall be repeated until all the Investor Shares the subject of such notice have been fully allocated.

22.4 As soon as a full allocation of Investor Shares has been made and is binding pursuant to Article 22.3 above, the Lead Investor shall be bound, upon payment of the aggregate purchase price in full, to transfer the Investor Shares to the purchaser or respective purchasers thereof, and, if he shall make default in so doing, the Directors shall receive and give good discharge for the purchase money on behalf of the Lead Investor and shall authorise some person (who shall be deemed to be the attorney of the Lead Investor for that purpose) to execute in favour of the purchaser or respective purchasers a transfer of the shares allocated to him or them. After the name of the purchaser has been entered in the Company's register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

22.5 If, after the expiration of the Acceptance Period:

- (a) the relevant Shareholders have sought to purchase part only of the Investor Shares; or
- (b) no Shareholder has sought to purchase any of the Investor Shares,

then the Lead Investor shall have the right by written notice to the Company at any time or from time to time, to compel the Company to engage (at the Company's reasonable expense) an investment bank reasonably acceptable to the Lead Investor as a financial advisor of the Company, and the Company shall in good faith cooperate with the Lead Investor and such advisor to conduct a formal process to sell the Company for a consideration per Investor Share the value of which is at least equal to the Offer Price. The Company agrees that if such a request is received by the Lead Investor and potential acquirers of the Company are identified and bid on the acquisition of the Company, the Lead Investor shall have the right to make a recommendation to the Board regarding the selection of an acquirer, and the Board shall in good faith consider the recommendations of the Lead Investor.

22.6 As soon as reasonably practicable upon identifying a Proposed Purchaser for the Equity Shares in accordance with Article 22.5, the Lead Investor shall be entitled to compel each other holder of Shares to sell and transfer all of their Shares as if it were a 'Dragging Shareholder' and had

served a 'Drag Along Notice' in accordance with the provisions of Articles 21.2, 21.3 and 21.5 to 21.10 (inclusive) with any other necessary changes.

## **23. GENERAL MEETINGS**

- 23.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 23.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in Model Article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Equity Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.
- 23.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.

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

- 24.1 Unless and until the Company in general meeting or by written resolution of the members shall otherwise determine, the number of Directors shall not exceed four.
- 24.2 Any Director ("**Appointor**") may appoint as an alternate any other Director, or any other person approved by the Board, to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors, in the absence of the appointing Director. Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointing Director, or in any other manner approved by the Directors.
- 24.3 An alternate Director may act as an alternate to more than one Director and has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.
- 24.4 Except as these Articles specify otherwise, alternate directors:
- (a) are deemed for all purposes to be Directors;
  - (b) are liable for their own acts and omissions;
  - (c) are subject to the same restrictions as their Appointors; and
  - (d) 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.
- 24.5 A person who is an alternate Director but not a Director:
- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
  - (b) may sign a Directors' written resolution (but only if his Appointor is an Eligible Director in relation to that decision, but does not participate).

- 24.6 No alternate may be counted as more than one Director for such purposes.
- 24.7 A Director who is also an alternate Director is entitled, in the absence of his Appointor, to a separate vote on behalf of each 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).
- 24.8 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.
- 24.9 An alternate Director's appointment as an alternate shall terminate:
- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
  - (b) 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;
  - (c) on the death of the alternate's Appointor; or
  - (d) when the alternate's Appointor's appointment as a Director terminates.
- 24.10 The Lead Investor shall have the right, for so long as it holds more than (a) 10 per cent. (10%) of the Shares in issue from time to time; and (b) eighty per cent. (80%) of its Shares held as at the Completion Date, to appoint and maintain in office one natural person as a director of the Company (and as a member of each and any committee of the Board) and to remove the director so appointed and, upon his removal whether by the Lead Investor or otherwise, to appoint another director in his place.
- 24.11 Each Founder shall have the right, for so long as she holds more than (a) 10 per cent. (10%) of the Shares in issue from time to time; and (b) eighty per cent. (80%) of her Shares held as at the Completion Date, to be appointed and maintained in office as a director of the Company (and as a member of each and every committee of the Board).
- 24.12 The Founders together shall be entitled, for so long as they both have the right to appoint a Founder Director pursuant to Article 24.11, to appoint and maintain in office one further director of the Company (and as a member of each and every committee of the Board) and to remove such director so appointed and, upon his or her removal whether by the Founders or otherwise, to appoint another director in his or her place. In the event that the Founders cannot agree on who such director shall be, Susie Cave shall have a casting vote.
- 24.13 An appointment or removal of a Director under Articles 24.10, 24.11 and 24.12 shall be effective upon delivery of an appropriate notice naming the relevant person to the Company either at its registered office or produced to a meeting of the directors of the Company.
- 24.14 If any of the Lead Investor or the Founders loses the right to appoint a Director pursuant to Articles 24.10, 24.11 and/or 24.12 (as applicable), it shall be deemed to have given notice of such removal taking effect at the point at which it lost such right. In respect of each Director so removed, the Board shall have the right to appoint and maintain in office one natural person as a director of the Company in his or her place and to remove such director so appointed and, upon his or her removal whether by the Board or otherwise, to appoint another director in his or her place.

## **25. PROCEEDINGS OF DIRECTORS**

- 25.1 The quorum for Directors' meetings shall be at least two Directors (and if there are two (2) Founder Directors, a quorum must include a Founder Director (save that where a Relevant Interest of the relevant Founder Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such Founder Director and any other interested Director shall

not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting)). If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall be deemed to be quorate and shall proceed.

- 25.2 In the event that a meeting of the Directors is attended by a Director who is acting as alternate for one or more other Directors, the Director or Directors for whom he is the alternate shall be counted in the quorum despite their absence.
- 25.3 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 25.4 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 25.5 The Directors at each meeting shall (with the approval of the Investor Director and acting by majority) appoint a chairman for that meeting.
- 25.6 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 25.7 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.
- 25.8 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means).

## **26. DIRECTORS' INTERESTS**

- 26.1 Subject to the provisions of the Act and provided that he has declared to the Directors in accordance with the provisions of these Articles and the Act, the nature and extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind:
- (a) where a Director (or a person Connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested;
  - (b) where a Director (or a person Connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
  - (c) where a Director (or a person Connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a

Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;

- (d) where a Director (or a person Connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested;
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person Connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this;
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution.

26.2 In addition to the provisions of Article 26.1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is an Investor Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in:

- (a) his appointing investor;
- (b) a Fund Manager which manages or advises such investor;
- (c) any of the funds advised or managed by a Fund Manager who advises or manages such investor from time to time; or
- (d) another body corporate or firm in which a Fund Manager who advises or manages such Investor or any fund managed or advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies,

(each, together with the interests set out in Article 26.1, a "**Relevant Interest**").

26.3 For the purposes of this Article 26, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his.

26.4 In any situation permitted by this Article 26 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

26.5 Subject to Article 26.6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his Relevant Interest pursuant to that section may, for the avoidance of doubt:

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:

- (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
    - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or
    - (iii) restricting the application of the provisions in Articles 26.7 and 26.8, so far as is permitted by law, in respect of such Interested Director;
  - (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
  - (c) subject to Article 26.6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26.
- 26.6 Notwithstanding the other provisions of this Article 26, it shall not (save with the consent in writing of an Investor Director) be made a condition of any authorisation of a matter in relation to that Investor Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 26.8.
- 26.7 Subject to Article 26.8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:
- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company; or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.
- 26.8 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26.7 shall apply only if the conflict arises out of a matter which falls within Article 26.1 or Article 26.2 or has been authorised under section 175(5)(a) of the Act.
- 26.9 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 26.10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 26.1 or Article 26.2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in

such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest:

- (a) falling under Article 26.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

26.11 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 26.

26.12 For the purposes of this Article 26:

- (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- (b) the provisions of section 252 of the Act shall determine whether a person is Connected with a Director;
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

## **27. INDEMNITIES AND INSURANCE**

27.1 Subject to the provisions of the Act:

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

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

## 28. DATA PROTECTION

Each of the Shareholders and Directors consent to the processing of their Personal Data by the company, the Shareholders and Directors (each a "**Recipient**") for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the Personal Data either electronically or manually. The Personal Data which may be processed under this Article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that Personal Data may not be disclosed by a Recipient or any other person except to a member of the same group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors consent to the transfer of relevant Personal Data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

## 29. LIEN

29.1 The Company shall have a first and paramount lien (the "**Company's Lien**") over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.

29.2 The Company's Lien over a Share:

- (a) shall take priority over any third party's interest in that Share; and
- (b) 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.

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.

29.3 Subject to the provisions of this Article 29, if:

- (a) a notice complying with Article 29.4 (a "**Lien Enforcement Notice**") has been given by the Company in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,

the Company shall be entitled to sell that Share in such manner as the Directors decide.

29.4 A Lien Enforcement Notice:

- (a) may only be given by the Company 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;
- (b) must specify the Share concerned;
- (c) must require payment of the sum payable within 14 days of the notice;
- (d) must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

- 29.5 Where any Share is sold pursuant to this Article 29:
- (a) the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
  - (b) the transferee shall not be bound to see to the application of the consideration, and the transferee's title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 29.6 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:
- (a) 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;
  - (b) secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity for lost certificate in a form acceptable to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 29.7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company's Lien on a specified date:
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.
- 30. CALL NOTICES**
- 30.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a "**Call Notice**") to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
- 30.2 A Call Notice:
- (a) may not require a Shareholder to pay a call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
  - (b) shall state when and how any call to which it relates it is to be paid; and
  - (c) may permit or require the call to be paid by instalments.
- 30.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any call before 14 days have passed since the notice was sent.
- 30.4 Before the Company has received any call due under a Call Notice the Directors may:
- (a) revoke it wholly or in part; or

- (b) specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 30.5 Liability to pay a call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid. Joint holders of a Share shall be jointly and severally liable to pay all calls in respect of that Share.
- 30.6 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 to:
  - (a) pay calls which are not the same; or
  - (b) pay calls at different times.
- 30.7 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 (whether in respect of nominal value or premium):
  - (a) on allotment;
  - (b) on the occurrence of a particular event; or
  - (c) on a date fixed by or in accordance with the terms of issue.
- 30.8 If the due date for payment of such a sum as referred to in Article 30.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 30.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below):
  - (a) the Directors may issue a notice of intended forfeiture to that person; and
  - (b) until the call is paid, that person shall be required to pay the Company interest on the call from the Call Payment Date at the Relevant Rate (as defined below).
- 30.10 For the purposes of Article 30.9:
  - (a) the "**Call Payment Date**" shall be 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;
  - (b) the "**Relevant Rate**" shall be:
    - (i) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
    - (ii) 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
    - (iii) if no rate is fixed in either of these ways, five per cent. a year,

provided that the Relevant Rate shall not exceed by more than five 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(a).
- 30.11 The Directors may waive any obligation to pay interest on a call wholly or in part.

- 30.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

### **31. FORFEITURE OF SHARES**

- 31.1 A notice of intended forfeiture:

- 31.2 that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

- 31.3 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, then 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.

- 31.4 Subject to these Articles, the forfeiture of a Share extinguishes:

- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
- (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.

- 31.5 Any Share which is forfeited in accordance with these Articles:

- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited;
- (b) shall be deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.

- 31.6 If a person's Shares have been forfeited then:

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
- (b) that person shall cease to be a Shareholder in respect of those Shares;
- (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that person shall remain 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
- (e) the Directors shall be entitled to 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.

- 31.7 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest due in respect of it and on such other terms as they think fit.

- 31.8 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.

- 31.9 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been forfeited on a specified date:

- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 31.10 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 31.11 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
  - (a) was, or would have become, payable; and
  - (b) had not, when that Share was forfeited, been paid by that person in respect of that Share,

but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.

## **32. SURRENDER OF SHARES**

- 32.1 A Shareholder shall be entitled to surrender any Share:
    - (a) in respect of which the Directors issue a notice of intended forfeiture;
    - (b) which the Directors forfeit; or
    - (c) which has been forfeited.
- The Directors shall be entitled to accept the surrender of any such Share.
- 32.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.
  - 32.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.