

Company number 09027802

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

PAM COMMUNICATIONS LIMITED (Company)

Date: 19/7/2017 (Circulation Date)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that:

- resolutions 1 and 2 below are passed as ordinary resolutions; and
- resolutions 3 and 4 below are passed as special resolutions,

(collectively the "Resolutions").

ORDINARY RESOLUTIONS

1. RE-DESIGNATION OF SHARES

THAT the existing ordinary shares in the capital of the Company are re-designated as follows having the rights and being subject to the restrictions contained in the new articles of association to be adopted under Resolution 3:

SHAREHOLDER	EXISTING DESIGNATION	RE-DESIGNATED AS
Christopher Dawes	325 ordinary shares of £0.01 each	325 A Ordinary shares of £0.01 each
Mark Wernham	325 ordinary shares of £0.01 each	325 A Ordinary shares of £0.01 each
Mark Cator	100 ordinary shares of £0.01 each	100 A Ordinary shares of £0.01 each
Birdflight Investments Ltd	100 ordinary shares of £0.01 each	100 A Ordinary shares of £0.01 each

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2. SUB-DIVISION OF SHARE CAPITAL

THAT, in accordance with section 618 of the Companies Act 2006 the 850 ordinary shares re-designated as A Ordinary shares of £0.01 each pursuant to Resolution 1 in the issued share capital of the Company be sub-divided into 850,000 A Ordinary shares of £0.00001 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing A Ordinary shares of £0.01 each in the capital of the Company.

SPECIAL RESOLUTIONS

3. ARTICLES OF ASSOCIATION

THAT the draft regulations, which for the purposes of identification are attached to this Resolution (New Articles), be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

4. DISAPPLICATION OF PRE-EMPTION RIGHTS

THAT, subject to article 5 of the New Articles and in accordance with section 570 of the CA 2006, the directors be generally empowered to allot 613,764 A Ordinary Shares of £0.00001 each and 140,138 B Investment Shares of £0.00001, each pursuant to the authority conferred by article 5 of the New Articles, and that any pre-emption rights that may exist be waived in respect of such allotments. This resolution shall become effective on the receipt of the relevant subscription monies and should any of the investors fail to advance their subscription monies, the relevant shares shall not be allotted to that investor and the number of shares allotted shall be adjusted down accordingly or reallocated to an alternative investor on the same terms as that of the original.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions.

The undersigned, being the only members entitled to vote on the above Resolutions on the Circulation Date, hereby irrevocably agree to the Resolutions:

Signed by Christopher Dawes

Date

Signed by Mark Wernham

C.3.✓
19/7/2017
M.W.✓

Date

19/7/2017

Signed by Mark Cator

Mark Cator

Date

19/7/2017

Signed for and on behalf of
Birdflight Investments Ltd

Mark Cator

Date

19/7/2017

NOTES

1. You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree to all of the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning the signed version either by hand, post or email to a Director of the Company.

If you do not agree to the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
3. Unless, by the date which is 28 days after the Circulation Date (beginning with the Circulation Date), sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
4. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

THE COMPANIES ACT 2006

A PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PAM COMMUNICATIONS LIMITED (the "Company") (Company Number: 09027802)

(Adopted by special resolution passed on 19th July 2017)

1. Interpretation

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

A Ordinary Shares	means the A Ordinary Shares of £0.00001 each in the capital of the Company and A Ordinary Shareholder means a holder of any of those shares;
Accepting Shareholder	has the meaning given in Article 9.5;
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);
Articles	means the Company's Articles of Association;
B Investment Shares	means the B Investment Shares of £0.00001 each in the capital of the Company and B Investment Shareholder means a holder of any of those shares;
Board	means the board of Directors;
Business Day	means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;
Buyer	has the meaning given in Article 9.1;
Called Shares	has the meaning given in Article 10.2.1;
Called Shareholder	has the meaning given in Article 10.1;
Civil Partner	means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder;
Companies Act	the Companies Act 2006;
Controlling Interest	means an interest in Shares giving to the holder or holders control of the Company within the meaning of

	section 1124 of the Corporation Tax Act 2010;
Convertible Securities	has the meaning given in Article 9.2.3;
Conversion Shares	means any A Ordinary Shares allotted and issued pursuant to the conversion of any LCIF Loan;
Date of Adoption	means the date on which these Articles were adopted;
Directors	means the directors of the Company from time to time, and Director means any one of them;
Drag Along Notice	has the meaning given in Article 10.2;
Drag Along Option	has the meaning given in Article 10.1;
Drag Buyer	has the meaning given in Article 10.1;
Drag Completion Date	has the meaning given in Article 10.5;
Drag Consideration	has the meaning given in Article 10.3;
Drag Documents	has the meaning given in Article 10.5;
Employee	means an individual who is employed by or who provides consultancy services to, the Company;
Equity Securities	has the meaning given in sections 560(1) to (3) inclusive of the Companies Act;
Family Trust	in relation to an individual Shareholder, means a trust or settlement set up wholly for the benefit of that individual Shareholder (" Settlor ") and/or the Settlor's Privileged Relations;
Investment Fund	means a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager;
Investment Manager	means a person whose principal business is to make, manage or advise upon investments;
LCIF	means the University of East Anglia of The Registry, University of East Anglia, Earlham Road, Norwich, Norfolk NR4 7TJ as operator of the Low Carbon Innovation Fund;
LCIF Group	means Low Carbon Innovation Fund Limited, any new nominee of LCIF, the University of East Anglia and any company, corporate body or organisation wholly owned directly or indirectly by the University of East Anglia;
LCIF Loans	means the secured interest bearing convertible loans in the aggregate sum of £175,000 advanced by LCIF to

	the Company pursuant to the LCIF Loan Agreements as at the Date of Adoption and any other loan(s) (if any) advanced by LCIF to the Company after the Date of Adoption;
LCIF Loan Agreements	means convertible loan agreements secured by a debenture entered into between LCIF and the Company on each of 24 June 2014, 2 December 2015, 9 May 2017 and on or around the Date of Adoption and any other loan agreement entered into between the Company and LCIF after the Date of Adoption setting out the terms of any LCIF Loan;
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;
Model Articles	means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption and for ease of reference annexed as Appendix 1 to these Articles;
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 the events set out in Article 6.6);
New Shareholder	has the meaning given in Article 10.9;
Offer	has the meaning given in Article 9.2;
Offerees	has the meaning given in Article 9.2;
Offer Notice	has the meaning given in Article 9.3;
Offer Period	has the meaning given in Article 9.3;
Offer Shares	has the meaning given in Article 9.3.4;
Original Shareholder	has the meaning given in Article 8.1;
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 Companies Act) means any Member of the same Group; and (c) in relation to Birdflight Investments Limited, means any of the Privileged Relations of any shareholder of

	Birdflight Investments Limited or any Trustees;
Price	has the meaning given in Article 7.1.2.2;
Privileged Relations	means 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);
Proposed Buyer	means a bona fide arm's length buyer;
Proposed Transfer	has the meaning given in Article 9.1;
Purchase Notice	has the meaning given in Article 7.1.4;
Purchasing Shareholder	has the meaning given in Article 7.1.4;
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 Shareholder	means a Shareholder holding 15% or more of the issued A Ordinary Shares for the time being;
Relevant Date	means: (a) in the case of Mark Wernham and Christopher Dawes, 24 June 2014; and (b) in the case of all other Shareholders who are also directors (not including non-executive directors) and/or employees of the Company or any subsidiary or any subsidiary of such subsidiary, the Date of Adoption or the date on which he first became an employee and/or officer of the Company or any subsidiary or any subsidiary of such subsidiary (whichever is later);
Sale Date	has the meaning given in Article 9.3;
Sale Documents	has the meaning given in Article 9.7;
Sellers' Shares	has the meaning given in Article 10.1;
Selling Shareholder	has the meaning given in Article 10.1;
Shareholders	means all or any of those persons whose names are entered in the register of members of the Company, and Shareholder shall mean any one of them;
Shares	all or any Shares in the Company;
Specified Price	has the meaning given in Article 9.2.3;
Subscribers	has the meaning given in Article 6.2;

Subscription Period	has the meaning given in Article 6.2.1;
Transaction Expenses	any fees, costs and expenses, payable in respect of such Share sale pursuant to Articles 9 or 10 as approved by the holders of a majority percentage of the A Ordinary Shares participating in such Share sale;
Transfer Notice	has the meaning given in Article 7.1.1;
Transfer Offer Period	has the meaning given in Article 7.1.3;
Transferring Shares	has the meaning given in Article 7.1.1;
Transferring Shareholder	has the meaning given in Article 7.1.1;
Trust	means: (a) a Family Trust or any other trust whereby legal title of shares of the Original Shareholder are held on trust by a third party trustee subject to a declaration of trust including without limitation, a nominee; or (b) in the case of Birdflight Investments Limited, any trust or settlement set up wholly for the benefit of a shareholder of Birdflight Investments Limited and/or such shareholder's Privileged Relations; and
Trustees	in relation to a Shareholder, means the trustee or the trustees of a Trust.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Companies Act shall have the same meanings in these Articles.
- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an "Article" is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:
 - 1.5.1. any subordinate legislation from time to time made under it; and
 - 1.5.2. any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.6. Any phrase introduced by the terms "**including**", "**include**", "**in particular**" or any similar expression shall be construed as illustrative and shall not limit the sense of the words following those terms.
- 1.7. The singular includes the plural, the masculine includes the feminine and, in each case, vice versa.
- 1.8. The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to

any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation. A copy of the Model Articles is appended to these Articles.

- 1.9. Articles 13, 14 and 24 of the Model Articles shall not apply to the Company.

2. General meetings

- 2.1. The quorum for a general meeting shall be at least 2 Shareholders holding a majority of the A Ordinary Shares.

- 2.2. If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall be adjourned to the same day of the next week at the same time and each A Ordinary Shareholder shall be notified by the Company in writing of the date, time and place of the adjourned meeting. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, those A Ordinary Shareholders present shall constitute a quorum.

- 2.3. Each A Ordinary Shareholder and LCIF (for so long as any LCIF Loan or interest thereon is outstanding) shall be entitled to receive, at least five Business Days prior to any general meeting, a copy of the latest management accounts for the Company containing a profit and loss statement and rolling three month cash flow forecast and comparisons to budget.

- 2.4. For so long as LCIF holds securities (including, for the avoidance of doubt, any LCIF Loan) which represent, or are in aggregate convertible into such number of Shares as shall represent, at least 5% of the voting rights attaching to the Shares from time to time:

2.4.1. the Company shall, within 21 days of a written request from LCIF so to do, call a general meeting; and

2.4.2. in the event that the Company does not call a general meeting when required pursuant to Article 2.4.1, LCIF shall be entitled to call a general meeting at the Company's expense.

3. Directors' conflicts of interest

If a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director shall be counted as participating in the decision-making process for quorum or voting purposes, provided that he has declared the nature and extent of such interest as required by the Companies Act.

4. Casting vote

If the numbers of votes for and against a proposal at a meeting of the Directors are equal, the chairman or other Director chairing the meeting shall have a casting vote.

5. Directors' authority to allot

- 5.1. The Directors are generally and unconditionally authorised, in accordance with section 551 of the Companies Act, to exercise all the powers of the Company to allot Shares or to grant rights or to subscribe for or convert any security into Shares up to a maximum nominal value of £100.

- 5.2. The authority contained in Article 5.1 shall expire on the day five years after the Date of Adoption.

6. Further issues of Shares: pre-emption rights

- 6.1. Sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act do not apply to an allotment of Equity Securities made by the Company.
- 6.2. 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 the A Ordinary Shareholders and, for so long as any LCIF Loan(s) remain outstanding, LCIF as if all LCIF Loans and any accrued but unpaid interest on the same had been converted in full into Conversion Shares prior to the date of such offer (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those A Ordinary Shareholders and LCIF (such aggregate number to include the Conversion Shares to be issued on a full conversion of the LCIF Loans and any accrued but unpaid interest on the same) (as nearly as may be without involving fractions). The offer:
 - 6.2.1. 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
 - 6.2.2. may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 6.3. If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the total number of New Securities that the Company has proposed to allot, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers and if LCIF has subscribed for New Securities pursuant to Article 6.2 such number of New Securities that would be held by LCIF if the LCIF Loans and any accrued but unpaid interest on the same had converted in full into Conversion Shares, 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).
- 6.4. If, at the end of the Subscription Period, the number of New Securities applied for is less than the total number of New Securities that the Company has proposed to allot, 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.
- 6.5. Subject to the requirements of Articles 6.2 to 6.4 (inclusive) and to the provisions of section 551 of the Companies 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.
- 6.6. The provisions of Articles 6.2 to 6.5 (inclusive) shall not apply to:
 - 6.6.1. options to subscribe for Shares under a share option plan of the Company, the terms of which have been approved by the Board and by the holders of more than 50% of the A Ordinary Shares in issue from time to time; or

- 6.6.2. options or rights to subscribe for Shares or Shares issued pursuant (in each case) to the terms of any LCIF Loan Agreement; or
- 6.6.3. further issues of New Securities where each A Ordinary Shareholder and, for so long as any LCIF Loan is outstanding, LCIF is notified by the Board at least 10 Business Days in advance and is entitled to participate via investing through the Crowdcube Ltd website or (in the case of LCIF only) otherwise.
- 6.7. No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.
- 7. **Transfer of Shares: pre-emption rights**
 - 7.1. Subject to Articles 8, 9, 10 or 11, A Ordinary Shareholders shall not transfer any A Ordinary Shares, except in the circumstances set out in Articles 7.1.1 to 7.1.8 (inclusive) and, for the avoidance of doubt and without prejudice to the generality of Article 26 of the Model Articles, the Board may refuse to register the transfer of any A Ordinary Share, if it has not been transferred in accordance with Articles 7.1.1 to 7.1.8 (inclusive).
 - 7.1.1. Any A Ordinary Shareholder who wishes to transfer any A Ordinary Shares (the "**Transferring Shareholder**") shall, before transferring or agreeing to transfer such shares (the "**Transferring Shares**") or any interest in them, first offer those Transferring Shares to the existing A Ordinary Shareholders, by giving irrevocable written notice to the Company (a "**Transfer Notice**").
 - 7.1.2. The Transfer Notice shall specify:
 - 7.1.2.1. the number of Transferring Shares the Transferring Shareholder wishes to transfer; and
 - 7.1.2.2. the price (in cash) and any other consideration at which the Transferring Shareholder wishes to transfer the Transferring Shares (which shall be the price offered to the Transferring Shareholder by a bona fide third party for the Transferring Shares, or in the absence of such an offer, the price calculated pursuant to Articles 7.1.6 and 7.1.7, in which case the Transfer Notice shall not specify a price) (the "**Price**").

The Transfer Notice shall constitute the Company the agent of the Transferring Shareholder for the sale of some or all of the Transferring Shares comprised in the Transfer Notice together with all rights then attached thereto to the A Ordinary Shareholders of the Company willing to purchase the same.
 - 7.1.3. Upon receipt of the Transfer Notice, the Board shall, as soon as reasonably practicable, offer the Transferring Shares to the other A Ordinary Shareholders, inviting those A Ordinary Shareholders to state by notice in writing to the Company within 10 Business Days of the offer by the Board (the "**Transfer Offer Period**"), whether they are willing to purchase at the Price any of the Transferring Shares. The offer notice to the other A Ordinary Shareholders shall contain a statement to the effect that the Transferring Shares shall be offered in proportion to the number of A Ordinary Shares held by each of them respectively but go on to invite each such member to state in his reply whether he wishes to purchase more or less A Ordinary Shares than his proportionate entitlement and if so what number.

7.1.4. Each A Ordinary Shareholder who wishes to purchase any of the shares offered to him in accordance with Article 7.1.3 above (a **"Purchasing Shareholder"**) may within the Transfer Offer Period, serve notice (the **"Purchase Notice"**) on the Board specifying how many Transferring Shares he wishes to purchase. For the purpose of this Article 7.1.4 an offer shall be deemed to be accepted on the day on which the Purchase Notice is received by the Company and may, if so specified in the Purchase Notice, be accepted by an A Ordinary Shareholder in respect of a lesser number of A Ordinary Shares than his full proportionate entitlement. If any of the A Ordinary Shareholders either do not accept their proportional entitlement in full or wish to purchase a lesser number of A Ordinary Shares than their proportional entitlement, then the A Ordinary Shares not so accepted shall be used to satisfy any claims for additional A Ordinary Shares (notified in response to the offer referred to in Article 7.1.3) as nearly as may be in proportion to the number of A Ordinary Shares already held by the A Ordinary Shareholders claiming additional A Ordinary Shares, provided that no A Ordinary Shareholder shall be obliged to take more Shares than he shall have applied for.

7.1.5. Any Transferring Shares not accepted or used to satisfy claims for additional A Ordinary Shares pursuant to Article 7.1.4 may be transferred by the Transferring Shareholder to any person, provided that:

- 7.1.5.1. the transfer is at price no less than the Price;
- 7.1.5.2. the transfer takes place within 90 days of the end of the Transfer Offer Period;
- 7.1.5.3. the Transferring Shareholder shall upon request furnish such information to the Directors as they shall require in relation to the Price obtained as aforesaid; and
- 7.1.5.4. where a proposed third party transferee(s) is or are concerned, engaged or interested directly or indirectly in any capacity whatsoever in any trade or business competing with the business of the Company, the Transferring Shareholder must obtain the prior written approval of the Board prior to any such transfer(s).

The Directors may require to be satisfied that such A Ordinary Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer.

7.1.6. If there is no bona fide third party offer for any of the Transferring Shares, the Price shall be such price per Transferring Share as may be determined by the accountants for the time being of the Company as the fair value thereof. The Board shall instruct such accountants to specify such fair value as soon as practicable upon receipt of the Transfer Notice not having the Price specified therein and such accountants shall, acting as experts and not arbitrators, calculate the fair value on such bases as they consider most applicable, but without discount for minority or uplift for majority shareholdings, and their costs and expenses shall be borne equally by the Company and the Transferring Shareholder.

7.1.7. In determining the fair value of the Transferring Shares, the accountants will rely on the following assumptions: the sale is between a willing seller

and a willing buyer of the Transferring Shares, the Company is carrying on its business as a going concern and shall continue to do so, the Transferring Shares are sold free of all restrictions, liens, charges and other encumbrances and the sale is taking place on the date the accountants were instructed to calculate the fair value.

- 7.1.8. Following completion of the procedure in respect of the Transferring Shares set out in Articles 7.1.1 to 7.1.7, the Transferring Shareholder shall sell the Transferring Shares as required and shall execute and deliver to the Board stock transfer forms relating to the Transferring Shares as required by the Board against receipt of the Price which the Board may receive from and transfer on behalf of the purchasers.
- 7.2. If in any case the Transferring Shareholder after having become bound as aforesaid defaults in any way in transferring the Transferring Shares, the Company may receive the purchase money on the Transferring Shareholder's behalf, and is irrevocably authorised to appoint any person to execute a transfer of such Transferring Shares on behalf of and as agent for the Transferring Shareholder. The receipt of the purchase money by the Company shall be a good discharge to the party purchasing the Transferring Shares. The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Transferring Shareholder.
- 7.3. Any transfer or purported transfer of any Share made otherwise than in accordance with the foregoing provisions of Article 7.1 and Articles 8, 9, 10 or 11, shall, unless the Directors unanimously agree otherwise, be null and void and of no effect.
- 7.4. If and when required by notice in writing by the holder or holders of (in aggregate) a majority in nominal value of the other A Ordinary Shares in the Company so to do ("**Transfer Call Notice**") a Shareholder who transfers or purports to transfer any Share in the Company in breach of the provisions of these Articles shall be bound to give a Transfer Notice in respect of the Shares (without specifying a price per Share) which he has transferred or purported to transfer in breach of these Articles.
- 7.5. In the event of such a Shareholder failing to serve such a Transfer Notice within five days of the date of the Transfer Call Notice such member shall be deemed to have given a Transfer Notice at the expiration of such period of five days and to have specified therein as the price per Share the fair value of each Share to be determined in accordance with Articles 7.1.6 and 7.1.7. The provisions of Articles 7.1.1 to 7.1.8 (inclusive) shall apply mutatis mutandis. A Transfer Notice given or deemed given under this Article 7.5 shall be irrevocable unless the Board agrees to the contrary.
- 7.6. The Directors may, in their absolute discretion, decline to register any transfer which would otherwise be permitted under the provisions of this Article 7 if it is a transfer of an A Ordinary Share over which the Company has a lien. For the avoidance of doubt the Directors shall not refuse to register a transfer of Shares made pursuant to Articles 7.1 to 7.5 (inclusive) and Articles 8, 9, 10 or 11, and article 26(5) of the Model Articles shall be amended accordingly.
- 7.7. The provisions of Article 7.1 above shall not apply with regard to B Investment Shares. Any B Investment Shareholder shall be entitled to transfer or transmit B Investment Shares to such persons and at such prices as they see fit, provided that such transfer is in respect of the B Investment Shareholder's entire holding of B Investment Shares to a single transferee (except with the prior sanction of a resolution of the Board).
- 8. Permitted Transfers**
- 8.1. An A Ordinary 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.

- 8.2. Shares previously transferred as permitted by Article 8.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 8.3. Subject to Article 11.3, where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 8.4. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares, provided that this Article 8.4 shall not apply to LCIF or any of its permitted transferees as set out in Article 8.6.
- 8.5. 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.
- 8.6. Notwithstanding any other provisions of these Articles:
 - 8.6.1. LCIF (or its nominee) may transfer the legal and/or beneficial interest in any of the Shares held by it to any new nominee of LCIF or to any member of the LCIF Group and vice versa any Shares may be transferred by any member of the LCIF Group to any other member of the LCIF Group;
 - 8.6.2. any Shareholder (or a nominee of a Shareholder or a Member of the Same Group of a Shareholder) who is:
 - 8.6.2.1. an Investment Manager;
 - 8.6.2.2. an Investment Fund; or
 - 8.6.2.3. a nominee of an Investment Manager or an Investment Fund
 may transfer any Shares held by it to:
 - (A) where the Shareholder (or nominee of such Shareholder or a Member of the Same Group of that Shareholder) is an Investment Manager or nominee of an Investment Manager:
 - 8.6.2.3.1. a nominee of such Investment Manager or to any new nominee of such Investment Manager;
 - 8.6.2.3.2. any participant or partner in or member of any Investment Fund in respect of which the Shares are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);
 - 8.6.2.3.3. any Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor; or
 - 8.6.2.3.4. any other Investment Manager who manages the business of the Investment Fund in respect of which

the Shares are held;

- (B) where the Shareholder (or nominee of such Shareholder or a Member of the Same Group of that Shareholder) is an Investment Fund or nominee of an Investment Fund:

8.6.2.3.5. a nominee of such Investment Fund or to any new nominee of such Investment Fund;

8.6.2.3.6. any participant (directly or indirectly) or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course);

8.6.2.3.7. any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor; or

8.6.2.3.8. the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor

and vice versa any Shares may be transferred by any of the persons in paragraphs (A) or (B) to any Shareholder who falls in the categories set out in Article 8.6 above,

and the Directors shall, save as may be required by law, register any transfer to which this Article 8.6 applies.

- 8.7. *No transfer of Shares may be made to Trustees unless the Board is satisfied:*

8.7.1. with the terms of the trust instrument and in particular with the powers of the trustees;

8.7.2. with the identity of the proposed trustees;

8.7.3. 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

8.7.4. that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

- 8.8. 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, provided that this Article 8.8 shall not apply to LCIF or any of its permitted transferees as set out in Article 8.6.

- 8.9. 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:

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

- 8.9.2. give a Transfer Notice to the Company in accordance with Article 7.1.1, failing which he shall be deemed to have given a Transfer Notice.
- 8.10. On the death (subject to Articles 8.3 and 11.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise, provided that this Article 8.10 shall not apply to LCIF or any of its permitted transferees as set out in Article 8.6. 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.
- 9. Tag along rights on a change of control**
- 9.1. The provisions of Articles 9.2 to 9.6 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any Shares ("**Proposed Transfer**") which would, if carried out, result in any person ("**Buyer**"), and any person Acting in Concert with the Buyer, acquiring a Controlling Interest in the Company.
- 9.2. Before making a Proposed Transfer, each Shareholder proposing to transfer Shares ("**Proposing Shareholders**") shall procure that the Buyer makes an offer ("**Offer**") to:
- 9.2.1. the other Shareholders to purchase all of the Shares held by them;
 - 9.2.2. the holders of any existing options to acquire Shares (granted by the Company or under any share option arrangements established by the Company) that are already capable of exercise or that are expected to become capable of exercise before the Proposed Transfer, to purchase any Shares acquired on the exercise of options at any time before the Proposed Transfer; and
 - 9.2.3. the holders of any securities of the Company or lenders of any loans that are convertible into Shares ("**Convertible Securities**"), to purchase any Shares arising from the conversion of such Convertible Securities at any time before the Proposed Transfer,
- (together referred to as the "**Offerees**") for a consideration in cash per Share that is equal to the highest price per Share offered or paid by the Buyer, or any person Acting in Concert with the Buyer, in the Proposed Transfer or in any related previous transaction in the 12 months preceding the date of the Proposed Transfer ("**Specified Price**").
- 9.3. The Offer shall be given by written notice ("**Offer Notice**"), at least 30 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**"). To the extent not described in any accompanying documents, the Offer Notice shall set out:
- 9.3.1. the identity of the Buyer;
 - 9.3.2. the amount, form and timing of consideration payable and any other terms and conditions applicable;
 - 9.3.3. the Sale Date; and

- 9.3.4. the number of Shares proposed to be purchased by the Buyer, which shall include the Proposing Shareholders' Shares and all Shares held by or to be acquired by the Offerees ("**Offer Shares**").
- 9.4. If the Buyer fails to make the Offer to all of the Offerees in accordance with Articles 9.2 and 9.3, the Proposing Shareholders shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer.
- 9.5. If the Offer is accepted in writing by any Offeree ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held or to be acquired by Accepting Shareholders.
- 9.6. The consideration (in cash or otherwise) for which the Accepting Shareholders shall be entitled to sell each of the Offer Shares shall be equal to the price per Share payable to the Proposing Shareholders in respect of their Shares less the Accepting Shareholder's proportion of any Transaction Expenses which shall (subject to completion of the purchase of such Offer Shares pursuant to his Article 9) be borne pro rata to the consideration due to the Shareholders in respect of their Shares.
- 9.7. If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form, sale agreement or other documents required to be entered into to effect the acquisition of the Offer Shares by the Buyer ("**Sale Documents**"), the Company and each Director shall be constituted the agent of such defaulting Accepting Shareholder to take such actions and enter into any Sale Documents required to effect the transfer of such Accepting Shareholder's Shares pursuant to this Article 9 and the Directors shall, if requested by the Buyer, authorise any Director to transfer the defaulting Accepting Shareholder's Shares on the defaulting Accepting Shareholder's behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration due in respect of the Offer Shares. After the Buyer has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person. Failure to produce a Share certificate shall not impede the registration of Shares under this Article 9.
- 10. Drag Along Option**
- 10.1. If the holders of a majority percentage of the A Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer (whether through a single transaction or a series of related transactions) all their interest in Shares (the "**Sellers' Shares**") to a Proposed Buyer, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**") and together the "**Called Shareholders**") to sell and transfer their legal and beneficial title to all of their Shares free from all liens, charges and encumbrances and together with all rights attaching to them to the Proposed Buyer or as the Proposed Buyer shall direct (the "**Drag Buyer**") in accordance with the provisions of this Article.
- 10.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Buyer. A Drag Along Notice shall specify:
- 10.2.1. that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;
- 10.2.2. the person to whom they are to be transferred;
- 10.2.3. the amount and form of consideration for which the Called Shares are to be

transferred (calculated in accordance with this Article); and

10.2.4. the proposed date of the transfer,

(and, in the case of paragraphs 10.2.2 to 10.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Buyer within 30 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 10.3. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal to the price per Share payable to the Selling Shareholders in respect of their Shares less the Called Shareholder's proportion of any Transaction Expenses which shall (subject to completion of the purchase of the Called Shares pursuant to his Article 10) be borne pro rata to the consideration due to the Shareholders in respect of their Shares (the "**Drag Consideration**").
- 10.4. In respect of a transaction that is the subject of a Drag Along Notice and with respect to any Drag Document, a Called Shareholder shall be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due.
- 10.5. Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified either in the Drag Along Notice or in any subsequent written notice from the Company to the Called Shareholders) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:
- 10.5.1. duly executed stock transfer form(s) for its Shares in favour of the Drag Buyer; and
- 10.5.2. the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company,
- (together the "**Drag Documents**").
- 10.6. On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Buyer, the Drag Consideration that is due to the extent that the Drag Buyer has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Buyer. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 10.7. To the extent that the Drag Buyer 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. The Selling Shareholders shall be entitled to serve further Drag Along Notices and the provisions of this Article 10 will continue to apply.
- 10.8. 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 and duly appointed attorney 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 10 and the Directors shall, if requested by the Drag Buyer, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Buyer to the extent the Drag Buyer has, by the Drag Completion Date, paid the Drag Consideration due 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.

- 10.9. Any transfer of Shares to a Drag Buyer 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 7.
- 10.10. 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 or any loan (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 Buyer 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.

11. Compulsory Transfers

- 11.1. A person entitled to a share in consequence of the bankruptcy of a Shareholder (or equivalent procedure in any jurisdiction outside England and Wales) shall be deemed to have given a Transfer Notice in respect of that Share at such time as the Directors may determine at the price calculated pursuant to Articles 7.1.6 and 7.1.7.
- 11.2. If a Shareholder which is a body corporate either suffers or resolves to appoint a liquidator, administrator or administrative receiver over it, or any material part of its assets (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or suffers or takes any equivalent action in any jurisdiction outside England and Wales, that Shareholder shall be deemed to have given a Transfer Notice in respect of all Shares held by it at such time as the Directors may determine at the price calculated pursuant to Articles 7.1.6 and 7.1.7, provided that this Article 11.2 shall not apply to LCIF or any of its permitted transferees as set out in Article 8.6.
- 11.3. If any Shareholder ceases to be a director (not including a non-executive director) and/or an employee of the Company or any subsidiary or any subsidiary of such subsidiary for any reason including death ("**Outgoing Shareholder**"), then the Board may, within 6 months from the date of such cessation, serve on the Outgoing Shareholder or on all those holding or entitled to his shares in the Company, a notice ("**Request Notice**") requiring him/them to offer all such shares for sale to the other Shareholders.
- 11.4. Where a Request Notice is served pursuant to Article 11.3, the recipient(s) shall be deemed to have served a Transfer Notice on the date on which the Request Notice is served in respect of all the Outgoing Shareholder's shares in accordance with Article 7.
- 11.5. Such deemed Transfer Notice shall be irrevocable and the Price of the Outgoing Shareholder's Transferring Shares shall be:
 - 11.5.1. where the Outgoing Shareholder is a Good Leaver (as defined in Article 11.6 below) the Price as agreed between the Outgoing Shareholder and the board of directors or as determined in accordance with Articles 7.1.6 and 7.1.7; and
 - 11.5.2. where the Outgoing Shareholder is a Bad Leaver (as defined in Article 11.6 below) 75% of the Price (as determined in accordance with Articles 7.1.6 and 7.1.7).

11.6. For the purposes of Article 11.5:

11.6.1. **"Good Leaver"** means an Outgoing Shareholder who ceases to be an employee and/or officer of the Company or any subsidiary or any subsidiary of such subsidiary and such cessation occurs as a result of:

11.6.1.1. his/her resignation after the third anniversary of the Relevant Date;

11.6.1.2. death, illness (including mental illness), disability, permanent incapacity through ill health; or

11.6.1.3. wrongful dismissal (as agreed with the Company or relevant subsidiary or as determined by an employment tribunal or a court of competent jurisdiction from which there is no right or leave granted to appeal); or

11.6.1.4. in circumstances where he has been dismissed from employment and such dismissal is unfair for the purpose of the Employment Rights Act 1996 (as agreed with the Company or relevant subsidiary or as determined by an employment tribunal or a court of competent jurisdiction from which there is no right or leave granted to appeal), save where such unfair dismissal is as a result of a procedural defect;

11.6.2. **"Bad Leaver"** an Outgoing Shareholder who ceases to be an employee and/or officer of the Company or any subsidiary or any subsidiary of such subsidiary and such cessation occurs as a result of either:

11.6.2.1. his/her resignation (other than as a result of constructive dismissal as agreed with the Company or relevant subsidiary or as determined by an employment tribunal or a court of competent jurisdiction from which there is no right or leave granted to appeal) before the third anniversary of the Relevant Date; or

11.6.2.2. the lawful termination by the Company or relevant subsidiary of his/her employment or office in accordance with and by reason of a breach of the terms of his/her employment agreement or terms of engagement with the Company or relevant subsidiary.

12. Rights attaching to Shares

12.1. The share capital of the Company shall comprise A Ordinary Shares and B Investment Shares. The A Ordinary Shares and B Investment Shares shall rank *pari passu* in all respects, (notwithstanding that the directors can in their absolute discretion decide how to allocate dividends between the respective classes of shares), save as provided in these Articles. For the avoidance of doubt the directors may pay an interim dividend or dividends on one or several classes of shares to the exclusion of any class or classes and may pay interim dividends at different rates on the respective classes of shares.

12.2. The A Ordinary Shares shall each carry one vote. The holders of A Ordinary Shares shall have the right to receive notices of any general meetings and to attend, speak and vote at such general meetings. The B Investment Shares shall have no voting rights attached to them, and holders of B investment Shares shall not have the right to receive notices of any general meetings, or the right to attend at such general meetings.

12.3. No dividend shall be payable in respect of any Shares unless and until the amount of

such dividend when aggregated with all dividends then payable to the holder of such Shares exceeds the sum of £50 and all the dividends declared but not paid pursuant to this Article 12.3 shall be held by the Company as dedicated retained dividends on trust for such holder of Shares and shall be payable to such persons either upon the winding up of the Company or when the cumulative value of such withheld dividends exceeds £50.

13. Variation of class rights

- 13.1. Whenever the capital of the Company is divided into different classes of shares, the special rights attached to any class may only be varied or abrogated, either whilst the Company is a going concern or in contemplation of a winding up, with the consent of the holders of the issued shares of that class given in accordance with Article 13.2.
- 13.2. The consent of the holders of a class of shares may be given by a special resolution passed at a separate general meeting of the holders of the issued shares of that class or a written resolution in any form signed by or on behalf of the holders of three-quarters in nominal value of the issued shares of that class but not otherwise. To every such meeting, all the provisions of these Articles and the Companies Act relating to general meetings of the Company shall apply (with such amendments as may be necessary to give such provisions efficacy) but so that the necessary quorum shall be two holders of shares of the relevant class present in person or by proxy and holding or representing not less than one third in nominal value of the issued shares of the relevant class; that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him; and that any holder of shares of the class, present in person or by proxy or (being a corporation) by a duly authorised representative, may demand a poll. If at any adjourned meeting of such holders such a quorum as aforesaid is not present, not less than one holder who is present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum.

14. Electronic communication

- 14.1. Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied, by or to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Companies Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors).
- 14.2. For the purposes of Article 14.1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 14.2.
- 14.3. When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Companies Act.
- 14.4. Any notice or communication sent by means of a website, chatroom, internet, intranet,

extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission.

- 14.5. The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control.
- 14.6. Each Shareholder and Director shall, for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Companies Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website.

15. Board matters

- 15.1. Any Qualifying Shareholder shall be entitled to:
 - 15.1.1. be a Director of the Board, or to appoint one nominee Director to the Board, and to remove and replace such nominee Director upon written notice to the Board, provided that such nominee Director shall have been previously approved by the Board, such approval not to be unreasonably withheld or delayed; and
 - 15.1.2. appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board
- 15.2. Any Director appointed to the Board in accordance with Article 15.1 above shall immediately resign as a Director should his appointing Qualifying Shareholder cease to be a Qualifying Shareholder.
- 15.3. LCIF shall, for so long as any LCIF Loan or interest thereon is outstanding or it holds any Conversion Shares, have the right to:
 - 15.3.1. appoint one person as a non-executive director to the Board and any committee of the Board; and
 - 15.3.2. appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board.
- 15.4. Meetings of the Board shall be held at least quarterly.

16. Share certificates

- 16.1. The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so.
- 16.2. The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders.
- 16.3. If the Board resolves to issue a Share certificate it may be issued in electronic format, under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. 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 or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person.
- 16.4. Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery.
- 17. LCIF Protective Provisions**
- 17.1. If any purported amendment to these Articles (including, for the avoidance of doubt, by way of adoption of new articles of association of the Company) would be to the detriment of LCIF, such amendment shall not be effective unless LCIF consents in writing.
- 17.2. Notwithstanding any other provision of these Articles, the Company shall not carry out any of the following without the prior written consent of LCIF and Birdflight Investments Limited, such consent not to be unreasonably withheld or delayed:
- 17.2.1. the presentation of any petition or passing of any resolution for winding-up of the Company, the service of notice of intention to appoint an administrator in respect of the Company, the appointment of an administrator of the Company by the holder of a qualifying floating charge, the Company or the directors of the Company or the presentation of a petition for an administration order in respect of the Company;
 - 17.2.2. the creation, allotment or issue of any shares or the grant or agreement to grant any option over shares or any uncalled capital of the Company or the issue of any obligations convertible into shares;
 - 17.2.3. the capitalisation, repayment or other form of distribution of any amount standing to the credit of any reserve of the Company or the redemption or purchase of any shares or any other reorganisation of its share capital;
 - 17.2.4. the declaration or payment of any dividend or the making of any distribution;
 - 17.2.5. any material change in the nature or scope of the business of the Company or the commencement of any new business not being ancillary or incidental to then existing business of the Company;
 - 17.2.6. the borrowing of any moneys except from the Company's bankers in the ordinary and proper course of the Company's business for an amount not exceeding £50,000 or except in pursuance of loans issued under the Enterprise Finance Guarantee Loan Scheme;
 - 17.2.7. the lending of any money (otherwise than by way of deposit with a bank or other institution in the United Kingdom the normal business of which includes the acceptance of deposits or the granting of credit to any person);
 - 17.2.8. the entry into any contract or arrangement (whether legally binding or not) otherwise than on arm's length market terms;
 - 17.2.9. the entry into any investment, shareholders' or similar agreement between the Company and, inter alia, its shareholders and the amendment or variation of any such agreement;
 - 17.2.10. the amalgamation or merger of the Company with any other company or legal entity;
 - 17.2.11. the sale, lease, license, transfer, purchase, mortgaging or charging of any freehold or leasehold property or any material assets of the Company (including the business of the Company) or of any interest in any of the

same;

- 17.2.12. the entering into of any contract or arrangement of a material nature outside the normal course of business including, without limitation, the disposal of a material part of the business or undertaking of the Company;
- 17.2.13. the acquisition by the Company of any shares or other interests in any other company or the participation by the Company in any partnership or joint venture; or
- 17.2.14. acquire or dispose of any patent, trademark, registered design or other know-how or other intellectual property whether absolutely or by way of a licence, other than on arm's length terms in the ordinary course of business.

Appendix 1

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