

If you agree to the below resolutions, please signify your agreement by signing and dating this document where indicated and returning it to the Company. Unless sufficient agreement has been received for the resolutions to pass within 28 days of the Circulation Date (defined below), they will lapse. You should read the notes at the end of this document before signifying your agreement to the below resolutions.

**GRID EDGE LIMITED**  
(the "Company")

(Registered in England – No 10129878)

WEDNESDAY



\*R665J7CJ\*  
RM 10/05/2017 #23  
COMPANIES HOUSE

**WRITTEN RESOLUTION**

(Circulated 05 April 2017) ("Circulation Date")

The directors of the Company propose that, in accordance with Chapter 2 of Part 13 of the Companies Act 2006 ("CA 2006"), the following resolutions be passed, in the case of (A) as an ordinary resolution, and in the case of (B) and (C) as special resolutions:

**Ordinary Resolution**

(A) THAT the directors are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 or otherwise to exercise all the powers of the Company to allot ordinary shares of £0.0001 each and/or grant rights to subscribe for, or to convert any security into, any shares ("Rights") in respect of the following:

- (i) the allotment and issue of up to 7,107 ordinary shares; and
- (ii) the grant of options to subscribe for up to 4,066 ordinary shares and the allotment and issue of ordinary share on the exercise of such options,

for a period of two years from the date of this resolution save that in accordance with section 551(7) of the Companies Act 2006 the Company may before the expiry of such period make an offer or agreement which would or might require such shares to be allotted or Rights to be granted after such expiry and the directors may allot such shares or grant Rights pursuant to such offer or agreement as if this authority had not expired.

**Special Resolutions**

(B) THAT with effect from the passing of this resolution new articles of association in the form annexed to this written resolution be approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.

- (C) THAT the pre-emption rights contained in Article 3.2 of the articles of association to be adopted pursuant to Special Resolution (B) be hereby waived and dis-applied in respect of the allotment of shares in the capital of the Company or the grant of Rights of up to an aggregate nominal amount of £1.20 within a period of two years from the date of this resolution, save that the Company may before the expiry of such period make an offer or agreement which would or might require such shares to be allotted or Rights to be granted after the expiry of such period and the directors may allot such shares or grant Rights pursuant to such offer or agreement as if this authority had not expired.

We, the undersigned, each being a member entitled to vote on the above resolutions on the Circulation Date above, **IRREVOCABLY AGREE to AND PASS** the above resolutions:

Signature: A. J. C.

Name: **For and on behalf of  
Aston University**

Date: 4 April 2017.

Signature: .....

Name: **Thomas Alexander  
Anderson**

Date:

Signature: .....

Name: **Daniel Graham Wright**

Date:

Signature: .....

Name: **James Alasdair Scott**

Date:

Signature: .....

Name: **Donald Rushton**

Date:

- (C) THAT the pre-emption rights contained in Article 3.2 of the articles of association to be adopted pursuant to Special Resolution (B) be hereby waived and dis-applied in respect of the allotment of shares in the capital of the Company or the grant of Rights of up to an aggregate nominal amount of £1.20 within a period of two years from the date of this resolution, save that the Company may before the expiry of such period make an offer or agreement which would or might require such shares to be allotted or Rights to be granted after the expiry of such period and the directors may allot such shares or grant Rights pursuant to such offer or agreement as if this authority had not expired.

**We**, the undersigned, each being a member entitled to vote on the above resolutions on the Circulation Date above, **IRREVOCABLY AGREE** to **AND PASS** the above resolutions:

Signature: .....


Name: **For and on behalf of  
Aston University**

Date:

Signature:  .....


Name: **Thomas Alexander  
Anderson**

Date:

Signature:  .....

Name: **Daniel Graham Wright**

Date:

Signature:  .....

Name: **James Alasdair Scott**

Date:

Signature: .....

Name: **Donald Rushton**

Date:

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Aston University**

Date:

Signature: .....

Name: **Thomas Alexander  
Anderson**

Date:

Signature: .....

Name: **Daniel Graham Wright**

Date:

Signature: .....

Name: **James Alasdair Scott**

Date:

Signature:  .....

Name: **Donald Rushton**

Date:

3<sup>rd</sup> April 2017

## NOTES

1. You may choose to agree to all of the resolutions or none of them but you cannot agree to some only 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 it to the Company using one of the following methods:

- **by hand:** delivering the signed copy to the Company at its registered office addressed to Andrew Tulloch;
- **by post:** returning the signed copy by post to the Company at its registered office addressed to Andrew Tulloch; or
- **by email:** e-mailing a scan of the signed resolutions to Andrew Tulloch at [andrewtulloch@hotmail.com](mailto:andrewtulloch@hotmail.com)

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 date of and including 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.

Company number: 10129878

THE COMPANIES ACT 2006

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

GRID EDGE LIMITED

(Adopted by Written Resolution passed  
on 05 April 2017)

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**1 Preliminary**

**1.1 In these Articles:**

**"the Acts"** the Companies Acts (as defined in section 2 CA 2006) in so far as they apply to the Company.

**"Articles"** these articles of association whether as originally adopted or as from time to time altered by special resolution.

**"Auditors"** the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such firm of chartered accountants as may be agreed between the directors of the Company and the Vendor or, in default of agreement, as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or any successor body.

**"Associated Company"** any subsidiary or holding company of the Company or any other subsidiary of the Company's holding company.

**"Business Day"** a day (not being a Saturday or Sunday or a public holiday or any other days where the University is officially closed for business).

**"CA 2006"** the Companies Act 2006 (as amended or modified from time to time).

**"Controlling Interest"** an interest in Shares conferring in the aggregate more than 50% of the total voting rights conferred by all of the issued Shares in the Company.

**"Electronic Communications"** the same as in the Electronic Communications Order 2000.

**"Employee"** each Founder and each person who is or is to become or has been a director and/or an employee of or a consultant to the Company or any of its subsidiaries.

**"Employee Member"** each:

- (a) Employee who holds Shares; and
- (b) nominee holder of Shares, the legal title to which are held by the nominee on behalf of an Employee; and
- (c) personal representative or trustee in bankruptcy (or liquidator) who has acquired the Shares of an Employee pursuant to the Employee's death or bankruptcy (or the bankruptcy or liquidation of his nominee) as the case may be.

**"Family Trust"** a trust which permits the settled property or the income therefrom to be applied only for the benefit of:

- (a) the settlor and/or a Privileged Relation of that settlor; or
- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For the purposes of this definition **"settlor"** includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased member.

**"Founders"** has the meaning set out in the Investment Agreement and **"Founder"** shall mean any one of them.

**"Good Leaver"** has the meaning set out in Article 7.1.

**"Investment Agreement"** a subscription and shareholders' agreement entered into on or around the date of adoption of these Articles.

**"Investment Fund"** a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager.

**"Investors"** has the meaning set out in the Investment Agreement and **"Investor"** shall mean any one of them.

**"Investor Majority"** those Investors who together hold more than 51% in nominal value of the total Ordinary Shares held by the Investors from time to time;

**"Investment Manager"** a person whose principal business is to make, manage or advise upon investments.

**"Leave"** or **"Leaving"** in respect of an Employee Member, the Employee ceasing to be a director, employee or consultant of the Company or any of its subsidiaries or to be seconded to provide services to the Company or to any of its subsidiaries without remaining or becoming a director, employee, consultant of the Company or any other subsidiary (as the case may be) or being seconded to provide services to the Company or to any other subsidiary for any reason whatsoever, including his dying or becoming a patient within the meaning of the Mental Health Act 1982.

**"Leaver's Percentage"** in the case of:

- (a) an Employee Member who becomes a Good Leaver:
  - (i) at any time on or prior to the first anniversary of the Relevant Date, 50% of his Relevant Shares;
  - (ii) at any time after the first anniversary of the Relevant Date but on or prior to the second anniversary of the Relevant Date, 25% of his Relevant Shares; or
  - (iii) at any time after the second anniversary of the Relevant Date, 0% of his Relevant Shares; and
- (b) a Bad Leaver, 100% of his Relevant Shares.

**"minimum sale number"** has the meaning set out in Article 5.2.

**"Model Articles"** 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 of these Articles.

**"Other Shareholders"** has the meaning set out in Article 9.4.

**"Ordinary Shares"** the ordinary shares of £0.0001 each in the Company from time to time.

**"Permitted Transferee"** any person to whom a member is entitled to transfer Shares under Article 6.

**"Permitted Transfer Shares"** has the meaning set out in Article 7.9.

**"Privileged Relation"** in relation to a member means the spouse or civil partner or other permanent partner (as determined by the Qualifying Parties by Qualifying Party Consent) or widow or widower of the member and the member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member's children.

**"Qualifying Party"** and **"Qualifying Parties"** have the meaning set out in the Subscription and Shareholders' Agreement;

**"Qualifying Party Consent"** the consent of the University (and its Permitted Transferees) and the holders of at least 75% in nominal value of the Shares held by the Investors (if any);



**"Recipient"** has the meaning set out in Article 18.1.

**"Relevant Date"** the date of issue of any Relevant Shares.

**"relevant loss"** has the meaning set out in Article 17.3.

**"Relevant Shares"**:

- (a) all Shares held by an Employee Member on behalf of or in connection to an Employee at the date of his Leaving; and
- (b) all Shares acquired by an Employee Member on behalf of or in connection to an Employee after the date of his Leaving pursuant to the exercise of share options granted under a Share Option Scheme or otherwise,

but not including any Shares held by the Founders on the date of adoption of these Articles or any Shares purchased by or on behalf of an Employee at market value being more than nominal value.

**"Rights"** rights to subscribe for, or to convert any security into, any Shares.

**"Sale"** the transfer (whether through a single transaction or a series of transactions) of Shares as a result of which any person (or persons connected with each other, or persons acting in concert with each other (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the transfer)) would hold or acquire beneficial ownership of or over that number of shares in the Company which in aggregate confers more than 50 per cent of the voting rights normally exercisable at general meetings of the Company, except where immediately following completion of the transfer or sale the shareholders and the proportion of shares held by each of them in the acquirer are the same as the shareholders and their shareholding proportions in the Company immediately prior to the transfer or sale.

**"Sale Price"** has the meaning set out in Article 5.8.

**"Sale Shares"** has the meaning set out in Article 5.2.

**"Shares"** the Ordinary Shares.

**"Share Option Scheme"** any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees, and/or officers and/or consultants of the Company or any subsidiary of the Company established and as amended or superseded from time to time.

**"Subscription and Shareholders' Agreement"** a subscription and shareholders' agreement entered into between the Company, the Founders, the University and the Investors on or around the date of adoption of these Articles.

**"Transfer Notice"** has the meaning set out in Article 5.2.

**"University"** Aston University of Aston Triangle, Birmingham, United Kingdom, B4 7ET.

**"University Director"** any director of the Company appointed pursuant to Article 11.2.

**"University Group"** the University, its subsidiaries, any Investment Fund in which the University or one of its subsidiaries is a material partner, portfolio advisor, unit holder, shareholder, collaborator or investor.

**"Vendor"** has the meaning set out in Article 5.2.

- 1.2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 have the same meanings in these Articles.
- 1.3 The Model Articles apply to the Company, except in so far as they are modified or excluded by these Articles.
- 1.4 Articles 11(2), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 52 and 53 of the Model Articles do not apply to the Company.

## **2 Liability of the members**

- 2.1 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them.

## **3 Shares**

- 3.1 Save to the extent authorised from time to time by an ordinary resolution of the shareholders or by a written resolution in accordance with section 282(2) of CA 2006, the directors shall not exercise any power to allot Shares or to grant Rights in the Company.
- 3.2 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the Company.
- 3.3 Save in respect of:
  - 3.3.1 any Shares to be allotted or agreed to be allotted at the date of adoption of these Articles; or
  - 3.3.2 any Shares to be allotted pursuant to the exercise of any options granted under the Share Option Scheme

unless otherwise determined by the Company by special resolution or dis-applied by Qualifying Party Consent in writing, any Shares to be issued shall, before they are issued, be offered to the existing holders of Shares (of whatever class) in proportion, as nearly as may be practicable, to the number of existing Shares held by them respectively. Such offer shall be made in writing to each such holder specifying the number of Shares offered to him and the subscription price therefor and inviting him to state in writing within such period as the board may prescribe (being not less than fourteen days after the date of the notice) whether he wishes to accept any, and if so what number, of Shares offered to him and whether he wishes to subscribe for Shares in excess of his entitlement and, if so, what maximum number. Any Shares not taken up pursuant to such offer as aforesaid and any Shares released from the provisions of this Article by special resolution shall be under the control of the board

who may allot, grant options over or otherwise dispose of the same to such persons on such terms and in such manner as it thinks fit provided that in the case of any Shares not disposed pursuant to such offer as aforesaid, such Shares shall not be disposed of on terms more favourable to the subscribers therefor than the terms on which they were offered to the Company's existing members. For the avoidance of doubt, in the event that any member of the University Group does not take up any or all of its proportionate entitlement to the Shares to be issued, such entitlement (or the balance of such entitlement) may be taken up by any member of the University Group.

#### **4      Lien and forfeiture**

4.1      The Company has a lien (the "**Company's lien**") over every Share to the extent that it is not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company to pay up such Share in full, whether payable immediately or at some time in the future.

4.2      The Company's lien over a Share:

4.2.1      takes priority over any third party's interest in that Share; and

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

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

#### **4.4      Enforcement of the Company's lien**

4.4.1      Subject to the provisions of this Article, if:

- (i)      a lien enforcement notice has been given in respect of a Share; and
- (ii)      the person to whom the notice was given has failed to comply with it

the Company may sell that Share in such manner as the directors decide.

4.4.2      A lien enforcement notice:

- (i)      may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
- (ii)      must specify the Share concerned;
- (iii)      must require payment of the sum within 14 clear days of the notice;
- (iv)      must be addressed to the holder of the Share (or all the joint holders of that Share); and

- (v) must state the Company's intention to sell the Share if the notice is not complied with.

4.4.3 Where Shares are sold under this Article 4.4:

- (i) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and
- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

4.4.4 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:

- (i) *first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and*
- (ii) *second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice.*

4.4.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's lien on a specified date:

- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- (ii) subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share.

4.5 Call notices

4.5.1 Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company to pay up that Share in full at the date when the directors decide to send the call notice.

4.5.2 A call notice:

- (i) may not require a shareholder to pay a call which exceeds the total amount required to pay up his Shares in full;

(ii) must state when and how any call to which it relates is to be paid; and

(iii) may permit or require the call to be made in instalments.

4.5.3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent.

4.5.4 Before the Company has received any call due under a call notice the directors may:

(i) revoke it wholly or in part; or

(ii) specify a later time for payment than is specified in the notice,

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

#### 4.6 Liability to pay calls

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

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

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

(i) to pay calls which are not the same; or

(ii) to pay calls at different times.

#### 4.7 When a call notice need not be issued

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

(i) on allotment;

(ii) on the occurrence of a particular event; or

(iii) on a date fixed by or in accordance with the terms of issue.

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

#### 4.8 Failure to comply with a call notice: automatic consequences

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

- (i) the directors may issue a notice of intended forfeiture to that person; and
- (ii) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

4.8.2 For the purposes of this Article:

- (i) the "**call payment date**" is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the "**call payment date**" is that later date; and
- (ii) the "**relevant rate**" is
  - (A) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
  - (B) 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
  - (C) if no rate is fixed in either of these ways, 5 per cent per annum.

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

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

#### 4.9 Notice of intended forfeiture

4.9.1 A notice of intended forfeiture:

- (i) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- (ii) must be sent to the holder of that Share (or all the joint holders of that Share);
- (iii) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice;
- (iv) must state how the payment is to be made; and
- (v) must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

#### **4.10 Directors' power to forfeit Shares**

- 4.10.1 If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture.

#### **4.11 Effect of forfeiture**

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

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

- 4.11.2 Any Share which is forfeited in accordance with the Articles:

- (i) is deemed to have been forfeited when the directors decide that it is forfeited;
- (ii) is deemed to be the property of the Company; and
- (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit.

- 4.11.3 If a person's Shares have been forfeited:

- (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members;
- (ii) that person ceases to be a shareholder in respect of those Shares;
- (iii) that person must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (iv) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (v) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.

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

#### 4.12 Procedure following forfeiture

- 4.12.1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Company is irrevocably authorised to appoint any person as agent to transfer the shares on the forfeiting Shareholder's behalf and to do anything else that is reasonably required to complete the transfer.
- 4.12.2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date:
- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - (ii) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
- 4.12.3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 4.12.4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
- (i) was, or would have become, payable; and
  - (ii) had not, when that share was forfeited, been paid by that person in respect of that Share,
- but no interest is payable to such a person in respect of such proceeds and the Company is not required to account for any money earned on them.

#### 5 Transfer of Shares

- 5.1 None of the Shares of the Company shall be transferred and the directors shall not register any transfer of any Shares of the Company except pursuant to this Article or Articles 6, 7, 8 or 9.
- 5.2 Unless otherwise dis-applied by Qualifying Party Consent, every holder of Shares who wishes to transfer all or any of his Shares or to dispose of any interest therein (such holder being hereinafter referred to as a "**Vendor**") shall serve on the directors of the Company a notice in writing of his wish so to do accompanied by the relevant share certificate. Such notification (hereinafter called a "**Transfer Notice**") shall state the number of Shares which the Vendor desires to transfer or dispose of and shall constitute the directors his agents for the sale of such Shares (hereinafter called "**the Sale Shares**") at the Sale Price (as defined in Article 5.8). The Transfer Notice shall also give details of the person, if any, to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 5.3 to 5.5 (inclusive). Save as provided in Article 5.4, a Transfer Notice once given or deemed to be given shall not be capable of being withdrawn. A Transfer Notice may



include any number of Shares and, if such number is more than one, shall operate as if it were a separate notice in respect of every Share comprised therein, provided that a Vendor may specify in the Transfer Notice that it is conditional on a minimum number of Sale Shares ("**the minimum sale number**") therein specified being transferred and in such case such Transfer Notice shall operate accordingly and take effect in accordance with the provisions of Article 5.4.

- 5.3 Within 14 days after a Transfer Notice has been received by the directors or is deemed to have been given or, if later, within 7 days after the Sale Price shall have been determined, the directors shall offer the Sale Shares giving details in writing of the number of the Sale Shares and the Sale Price to the holders of the existing Shares (other than the Vendor) pro-rata as nearly as may be in proportion to the number of Shares then held by such holders, and inviting each such shareholder to state in writing within 21 days from the date of the offer notice whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number thereof. The directors shall also give details to the holders of the then existing Shares (other than the Vendor) of the person, if any, to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to Articles 5.3 to 5.5 (inclusive). At the expiration of the said period the balance of any Sale Shares offered to the holders of Shares but not so accepted shall, subject as provided below, be offered to the holders of the Shares who have accepted all the Shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balance of Shares in the proportion as nearly as the circumstances will admit to the number of Shares (including any accepted pursuant to the foregoing provisions of this paragraph) then held by each of them respectively (provided that each such holder of Shares shall be entitled to offer to purchase more than his proportionate entitlement). Such further offer shall be deemed to have been refused if not accepted within 14 days of the date of the offer. Provided that no such further offer shall be required if the holders of Shares who have accepted all the Sale Shares to which they are respectively entitled shall have also accepted (or otherwise stated their willingness to purchase) further Sale Shares such that purchasers shall have been found for all the Sale Shares (and if such acceptances have been received for an aggregate maximum number of Shares in excess of the number of Sale Shares available for further purchase such acceptances shall be scaled down pro-rata as nearly as the circumstances may admit in the proportions which such shareholders hold Shares in the capital of the Company). Where this proviso applies, the shareholders concerned shall be deemed to have accepted and offered to purchase the further Sale Shares which they are entitled to accept in accordance with the provisions of this proviso, such offer and acceptance being deemed to have been made at the expiration of the period of 21 days referred to in the preceding provisions of this Article 5.3. For the avoidance of doubt, in the event that the University does not take up any or all of its proportionate entitlement to the Sale Shares, such entitlement (or the balance of such entitlement) may be taken by any other member of the University Group.

- 5.4 The directors shall as soon as practicable after the expiration of the above periods give notice to the Vendor confirming whether members have been found willing to purchase at least the minimum sale number of Sale Shares. If such notice shall state that members have not been found willing to purchase at least the minimum sale number of Sale Shares, the following provisions of this Article shall not apply and the Transfer Notice shall be treated as withdrawn. If such notice shall state that members have been found who are willing to purchase at least the minimum sale number of Sale Shares, the notice shall state the name and address of each proposed purchaser and the number of Shares agreed to be purchased by him. If the directors shall have found members willing to purchase some (not in any event

being less than any minimum sale number specified in the Transfer Notice) but not all of the Sale Shares, the Vendor may within 21 days of the receipt of such notice from the directors give a counter-notice in writing to the directors withdrawing the Transfer Notice. If the directors shall under the preceding paragraphs of this Article have found members willing to purchase all the Sale Shares or if no such counter-notice shall have been given by the Vendor within the aforesaid period, the Vendor shall be bound, on receipt of the Sale Price per Share, to transfer the Sale Shares (or such of the same for which the directors shall have found purchasers) to the purchasers specified by the directors in accordance with this Article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the directors when, against payment of the Sale Price for each Share and any relevant stamp duties, the purchaser(s) shall be registered as the holder(s) of the relevant Shares in the Register of Members of the Company and share certificate(s) in the names of such purchaser(s) and in respect of the relevant Shares shall be delivered.

- 5.5 If the Vendor, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Company is irrevocably authorised to appoint any person as agent to transfer the Sale Shares on the Vendor's behalf and to do anything else reasonably required to complete the transfer; and shall enter the name of the purchaser in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to him as aforesaid. The Company shall receive the purchase money on behalf of the Vendor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to any purchaser who shall not be bound to see to the application thereof, and after the name of the purchaser has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 5.6 If by the end of the applicable periods specified in Article 5.3 the directors shall not have found purchasers for all the Sale Shares pursuant to this Article and the Vendor shall not have given a counter-notice as referred to in Article 5.4, the Vendor shall be at liberty to sell and transfer all or any of the Sale Shares for which no purchasers shall have been found at any time within the following 3 months to the person, if any, specified in the Transfer Notice as the person to whom the Vendor wishes to transfer the Sale Shares or, if no such person is specified, any person or persons in pursuance of a bona fide sale in each case at any price not being less than the Sale Price provided that the directors shall require to be satisfied that such Shares are being transferred in pursuance of a bona fide sale for a consideration not being less than the Sale Price without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied they shall refuse to register the transfer or instrument concerned.
- 5.7 For the purpose of ensuring that a transfer of Shares is in accordance with the foregoing provisions of this Article and duly authorised hereunder or for the purpose of ascertaining when a Transfer Notice is deemed to have been given hereunder the directors may require any member, the legal personal representatives of a deceased member, the trustee in bankruptcy of a bankrupt member or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may think fit regarding any matter they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to be given in respect of any Shares, the directors shall refuse to register the transfer in question and shall be entitled to serve a Transfer

Notice in respect of the Shares concerned and the provisions of these Articles shall take effect accordingly.

- 5.8 For the purposes of this Article the expression "**the Sale Price**" shall mean the price per Share (if any) specified in the Transfer Notice or (if no such price is so specified) the fair value per Share as the Vendor and the directors shall agree or failing agreement as the Auditors of the Company acting as experts and not as arbitrators shall state in writing to be in their opinion the fair selling value of the Sale Shares on the open market having regard to the fair value of the business of the Company as a going concern and on the basis of an "arm's length" transaction as between a willing vendor and a willing purchaser but disregarding the fact that the Sale Shares may comprise only a minority holding in the Company. The determination of the Auditors shall be final and binding on all concerned. The cost of obtaining the certificate of the Auditors shall be borne by the Company and the Vendor in equal proportions. The directors shall procure that a copy of the Auditor's certificate is sent to the Vendor as soon as practicable after the issue thereof.
- 5.9 Notwithstanding anything contained in these Articles, the directors may decline to register any transfer of any Share on which the Company has a lien and shall refuse to register any proposed transfer of a Share other than a transfer made pursuant to or permitted by the provisions of Articles 5.1 to 5.9 (inclusive).
- 5.10 Any Shares sold pursuant to Articles 5.1 to 5.5 shall be transferred free from any claims, equities, liens and encumbrances whatsoever and with all rights attached to the Sale Shares as at the date of service of the Transfer Notice, but without the benefit of any other warranties or representations whatsoever.

## **6 Permitted Transfers**

6.1 Notwithstanding any other provisions of these Articles:

6.1.1 any member of the University Group may transfer any or all of its Shares to any other member of the University Group for any reason whatsoever;

6.1.2 any member (being an individual) ("**Original Shareholder**") may at any time transfer all or any Shares held by him:

(i) to a Privileged Relation; or

(ii) to trustees to be held upon a Family Trust of which he is the settlor,

provided that, in each case, any person to whom Shares are transferred pursuant to this Article 6.1.2 shall, if requested by the board of directors of the Company or the University, be deemed to have appointed the Original Shareholder as his proxy in respect of such Shares and no instrument of appointment shall be necessary to be deposited with the Company; and

6.1.3 where any Shares are held by trustees upon a Family Trust:

(i) on any change of trustees such Shares may be transferred to the new trustees of that Family Trust;

- (ii) such Shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

## **7 Compulsory Transfers**

7.1 If any Employee shall Leave for any other reason whatsoever (other than as set out in Article 7.2), his Employee Member shall be referred to as a **"Good Leaver"** and shall, subject to Article 7.3, be deemed to have given a Transfer Notice in respect of his Leaver's Percentage of such Employee Members' Relevant Shares at fair value and "fair value" of such Shares shall be the fair value as agreed by the parties or, failing agreement, as certified by the Auditor in accordance with Article 5.8.

7.2 If any Employee:

7.2.1 Leaves in circumstances where he:

- (i) commits any serious breach of his contract of employment, consultancy agreement or service contract (as appropriate) or is guilty of any gross misconduct or any wilful neglect in the discharge of his duties;
- (ii) is guilty of any fraud, dishonesty or conduct tending to bring himself or the Company into disrepute; or
- (iii) is convicted of any criminal offence (other than minor offences under the Road Traffic Acts or the Road Safety Acts for which a fine or non-custodial penalty is imposed) which might reasonably be thought to adversely affect the performance of his duties; or

7.2.2 has made in respect of him a petition for bankruptcy order or an application for a voluntary arrangement or composition with his creditors,

his Employee Member(s) shall be referred to as a **"Bad Leaver"** and shall be deemed to have given a Transfer Notice in respect of his Leaver's Percentage of such Employee Members' Relevant Shares at the lower of (i) fair value as agreed by the parties or, failing agreement, as certified by the Auditor(s) in accordance with Article 5.8 and (ii) the subscription price paid for such Shares.

7.3 If any Employee shall Leave for any reason whatsoever, all of his Employee Members' Relevant Shares shall automatically and without need for any further resolution have all voting rights suspended in respect of them (whether on a show of hands or a poll vote) and shall carry no entitlement for the holder thereof to:

7.3.1 receive notices of any general meetings of the Company;

7.3.2 attend or speak at any general meetings of the Company; or

7.3.3 receive, sign or vote in favour of or against any resolution proposed to be passed by way of written resolution of the Company

save that:

- (i) if the automatic suspension of such rights would result in any SEIS Reliefs or EIS Reliefs previously claimed by those shareholders

seeking SEIS Reliefs or EIS Relief being withdrawn, the voting rights attaching to some or all of such Relevant Shares shall be suspended at the discretion of the board of directors of the Company; and

- (ii) such rights shall be automatically restored in respect of each such Relevant Share following the transfer (not being a Permitted Transfer) of such Relevant Share in accordance with these Articles, immediately prior to an IPO or as otherwise additionally determined by the board of directors of the Company.

7.4 The board of directors of the Company at its discretion may, with Qualifying Party Consent:

- 7.4.1 reduce the number of Shares constituting Relevant Shares; and/or
- 7.4.2 waive the provisions of Article 7.2 and determine that the Employee Member shall be deemed to be a Good Leaver; and/or
- 7.4.3 where an Employee Member is a Good Leaver, waive the requirement that such Employee Member shall be deemed to have served a Transfer Notice in respect of all or any part of his or its Relevant Shares such that the Employee Member concerned shall be entitled to retain some or all of his or its Relevant Shares on behalf of the Employee; and/or
- 7.4.4 disapply Article 7.3 such that any Shares retained by the Employee Member shall remain voting shares.

7.5 On becoming a Good Leaver, if:

- 7.5.1 the board shall have waived the requirement that such Employee Member shall be deemed to have served a Transfer Notice in respect of some or all of his or its Shares in accordance with Article 7.4.3; or
- 7.5.2 a deemed Transfer Notice has been served in accordance with Article 7.1 and no purchaser shall have been found for the Relevant Shares of the Good Leaver,

the Good Leaver concerned shall be entitled to retain his or its Shares which shall automatically (without need for any further action) have all voting rights suspended in respect of such Relevant Shares. Such Good Leaver shall for the avoidance of doubt continue to have the right to receive notice of, attend and speak (but not vote) at all general meetings of the Company. Immediately prior to completion of a Sale, the voting rights attaching to such Good Leaver's Relevant Shares will automatically (without need for any further action) be restored such that each such Share shall carry the right to 1 vote for every 1 Ordinary Share held.

7.6 In the event that such Good Leaver transfers any of his or its Relevant Shares to the University or, with Qualifying Party Consent, to any other party in accordance with these Articles, the voting rights attaching to such Relevant Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's Register of Members) automatically be restored. For the avoidance of doubt, if such Good Leaver transfers any of his or its Relevant Shares to any party other than the University, such transfer must be with Qualifying Party Consent.

- 7.7 If and whenever a Privileged Relation ceases to be a Privileged Relation of the shareholder who made the transfer to the Privileged Relation, a Transfer Notice shall be deemed to have been given in respect of the Permitted Transfer Shares (as defined below) by the holders thereof and such Shares may not otherwise be transferred.
- 7.8 If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other Permitted Transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities, a Transfer Notice shall be deemed to have been given in respect of the Permitted Transfer Shares (as defined below) by the holders thereof and such Shares may not otherwise be transferred.
- 7.9 For the purposes of Articles 7.7 and 7.8 "**Permitted Transfer Shares**" shall mean Shares originally transferred to such Privileged Relation or trustees by the original shareholder and any additional Shares issued or transferred to such Privileged Relation or trustees by virtue of his or its connection to the original shareholder.

## **8 Tag Along**

- 8.1 Subject to Article 5 and save for any permitted transfer of Shares under Article 6, no sale or transfer of any Shares conferring the right to attend and vote at general meetings of the Company shall, if resulting (if made and registered) in a person (or persons) whether or not such person (or persons) is a member of the Company on the date of adoption of these Articles obtaining or increasing a Controlling Interest in the Company, be made or registered unless the proposed transferee or transferees or his or their nominees:

- 8.1.1 are independent third parties acting in good faith; and
- 8.1.2 have first offered to purchase all of the issued Shares of the Company on the same terms and at the same price offered to the proposed transferor (or transferors).

## **9 Drag Along**

- 9.1 Subject to Article 5 and save for any permitted transfer of Shares under Article 6, if an offer or offers in writing are made by or on behalf of any person ("**Offeror**") for the entire issued share capital of the Company ("**Qualifying Offer**") and the holders of not less than 75 per cent. in nominal value of the Shares then in issue wish to accept such offer ("**Accepting Shareholders**"), the provisions of this Article 9 shall apply.
- 9.2 The Accepting Shareholders may give written notice to the remaining holders of Shares ("**Other Shareholders**") of their wish to accept the Qualifying Offer and the Other Shareholders shall thereupon become bound to accept the Qualifying Offer and to transfer their Shares to the Offeror (or his nominee) with full title guarantee on the date specified by the Accepting Shareholders.
- 9.3 If any Other Shareholder makes default in transferring their Shares under Article 9.2 within 5 Business Days of being required to do so, the Company is irrevocably authorised to appoint any person as agent to transfer the Shares on the Other Shareholder's behalf and to do anything else reasonably required to complete the transfer including executing any necessary transfer(s) of the Shares held by the Other Shareholder and any indemnities on the Other Shareholder's behalf in favour

of the Offeror and, against receipt by the Company (on trust for such Other Shareholder) of the consideration payable for the Shares transferred, shall enter the name of the Offeror in the Register of Members as the holder of such Shares.

- 9.4 References in this Article 9 to "**Other Shareholders**" include those persons who acquire Shares pursuant to options or other rights held at the date of acceptance of the Qualifying Offer by the Accepting Shareholders. The obligation on the Other Shareholders to accept the Qualifying Offer in Article 9.2 shall extend to Shares acquired pursuant to such options or other rights.

## **10 General meetings**

- 10.1 The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with the provisions of CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting any director or any member of the Company may call a general meeting.
- 10.2 All general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the Shares giving that right.
- 10.3 The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it.
- 10.4 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the directors and the Auditors.
- 10.5 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members (one of which shall be a representative of the University) and for so long as the Investors (and any of their respective Permitted Transferees) together hold not less than 25% in nominal value of the issued share capital of the Company from time to time, one of whom shall be a representative of the Investors) present in person or by proxy shall be a quorum for all purposes, save that, if there is no Investor representative present, then the University representative and the chairman shall constitute quorum for the purposes of these Articles. If and for so long as the Company has only one person as a member, one member present in person or by proxy shall be a quorum.
- 10.6 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a 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 to such time and place as the directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.
- 10.7 The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall

elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.

- 10.8 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 10.9 The chairman at any general meeting shall not be entitled to a second or casting vote.
- 10.10 Where a resolution is to be proposed as a written resolution and such written resolution is accepted by or on behalf of:
  - 10.10.1 in the case of an ordinary resolution, the holders of over 50% in nominal value of the Shares; and
  - 10.10.2 in the case of a special resolution, the holders of 75% in nominal value of the Shares or more

who would be entitled to receive notice of and to attend and vote at a general meeting at which such resolution was to be proposed shall, subject always to the provisions of the Acts from time to time, be valid, effectual and binding on all of the members of the Company. Any such written resolution may consist of several documents in materially the same form, each accepted by or on behalf of the requisite number of members. Acceptance of a written resolution shall be in terms of the procedure set out in section 296 CA 2006. In the case of a corporation which is a member of the Company, acceptance (following section 296 CA 2006) by a director or its secretary or by a duly appointed and authorised attorney or representative shall be sufficient.

- 10.11 The accidental omission to give notice of a meeting any member entitled to receive notice of and attend and vote at general meetings shall invalidate the proceedings at that meeting.
- 10.12 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the Company.
- 10.13 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least five clear Business Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
- 10.14 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of CA 2006, a poll may be demanded:
  - 10.14.1 by the chairman; or
  - 10.14.2 by at least two members having the right to vote at the meeting; or



10.14.3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

10.14.4 by a member or members holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,

and a demand by a person as proxy for a member shall be the same as a demand by the member.

10.15 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10.16 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

10.17 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

10.18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

10.19 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least five clear Business Days' notice shall be given specifying the time and place at which the poll is to be taken.

10.20 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each Share of which he is the holder.

10.21 A member shall not be entitled to appoint more than one proxy to attend on the same occasion. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.

#### 10.22 Proxies

10.22.1 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not

less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate”.

- 10.22.2 Article 45(1) of the Model Articles shall be amended by the insertion of the words “and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting” as a new paragraph at the end of that article.

## **11 Directors**

- 11.1 The directors shall be not less than 3 and not more than 8.
- 11.2 With effect from the date of adoption of these Articles and for so long as the University Group (together with their Permitted Transferees) together hold not less than 10% in nominal value of the issued share capital of the Company from time to time the University Group shall together be entitled to appoint as a director of the Company any person proposed by them and to remove from office any person so appointed and to appoint another person in his place, in each case by giving written notice of such to the Company (“**University Director**”).
- 11.3 For so long as the Investors (and any of their respective Permitted Transferees) collectively hold not less than 25% in nominal value of the issued share capital of the Company from time to time they shall be entitled (acting by Investor Majority) to appoint as a director of the Company any person proposed by them and to remove from office any person so appointed and to appoint another person in his place, in each case by giving written notice of such to the Company (“**Investor Director**”).
- 11.4 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.
- 11.5 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 11.1 as the maximum number of directors for the time being in force.
- 11.6 If, immediately following and as a result of the death of a member, the Company has no members and if at that time it has no directors, the personal representatives of the deceased member may appoint any person to be a director and the director who is appointed will have the same rights and be subject to the same duties and obligations as if appointed by ordinary resolution in accordance with Article 11.4. If two members die in circumstances rendering it uncertain which of them survived the other, such deaths shall, for the purposes of this Article, be deemed to have occurred in order of seniority and accordingly the younger shall be deemed to have survived the elder.

## **12 Powers and duties of directors**

- 12.1 Subject to the provisions of CA 2006, and provided that he has disclosed to the directors the nature and extent of any interest of his (unless the circumstances referred to in sections 177(5) or 177(6) or sections 182(5) and 182(6) of the CA 2006 apply, in which case no disclosure is required), a director notwithstanding his office:

- 12.1.1 may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
  - 12.1.2 may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
  - 12.1.3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
  - 12.1.4 shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
  - 12.1.5 shall, subject to Articles 12.3 and 12.6, be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 12.1.1 to 12.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.
- 12.2 For the purposes of Article 12.1:
- 12.2.1 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;
  - 12.2.2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
  - 12.2.3 an interest of a person who is for any purpose of the CA 2006 (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.
- 12.3 The directors may, in accordance with the requirements set out in this Article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 CA 2006 to avoid conflicts of interest ("**Conflict Situation**"). For the purposes of these Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests.
- 12.3.1 Any authorisation under this Article will be effective only if:

- (i) the matter in question shall have been proposed by any director for consideration at a meeting of directors in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine; and
- (ii) any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the *director in question*; and
- (iii) the matter was agreed to without his voting or would have been agreed to if his vote had not been counted.

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

- 12.4.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised; and/or
- 12.4.2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine; and/or
- 12.4.3 be terminated or varied by the directors at any time.

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

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

- 12.5.1 disclose such information to the directors or to any director or other officer or employee of the Company; and/or
- 12.5.2 use or apply any such information in performing his duties as a director where to do so would amount to a breach of that confidence.

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

- 12.6.1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict Situation; and/or
- 12.6.2 is not given any documents or other information relating to the Conflict Situation; and/or
- 12.6.3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict Situation.

12.7 Where the directors authorise a Conflict Situation:

- 12.7.1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict Situation; and
- 12.7.2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 CA 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation.
- 12.8 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict Situation which has been authorised by the directors or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 12.9 For the purposes of sections 175 and 180(4) CA 2006 and for all other purposes, it is acknowledged that a University Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any a member of the University Group.
- 12.10 For the purposes of sections 175 and 180(4) CA 2006 and for all other purposes, it is acknowledged that an Investor Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following:
- 12.10.1 an Investor; and/or
- 12.10.2 any "**Investor Affiliate**", which for these purposes means any person who or which, as regards an Investor or any other Investor Affiliate of that Investor:
- (i) is a holding company of that company, or a wholly owned subsidiary of the company or of any such holding company;
  - (ii) is its investment advisor;
  - (iii) is a person in which it may have or acquire a direct or indirect economic interest as part of any portfolio investment;
  - (iv) controls or is controlled, managed advised (in an investment advisor capacity) or promoted by it; and/or
  - (v) is a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it; and/or

12.10.3 any carried interest or incentive arrangement associated with any person or arrangement referred to in Articles 12.10.2(i) to 12.10.2(v) inclusive above.

12.11 A University Director's or an Investor Director's (if any) duties to the Company arising from him holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 12.9 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Article 12.9 irrespective of whether the activities of such person or entity are or may become competitive with those of the Company and/or any of its subsidiaries.

### **13 Alternate Directors**

#### **13.1 Appointment and removal of alternate directors**

13.1.1 Any director ("**appointor**") may appoint as an alternate any other director, or any other person approved by resolution of the directors, to:

- (i) exercise that director's powers; and
- (ii) carry out that director's responsibilities

in relation to the taking of decisions by the directors, in the absence of the alternate's appointor.

13.1.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors.

13.1.3 The notice must:

- (i) identify the proposed alternate; and
- (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice.

13.2 An alternate shall be entitled to receive notice of all meetings of the board and attend and vote as such at any meeting at which the director appointing him is not personally present, and generally in the absence of his appointor to do all the things which his appointor is authorised or empowered to do.

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

13.4 Except as the Articles specify otherwise, alternate directors:

- 13.4.1 are deemed for all purposes to be directors;
- 13.4.2 are liable for their own acts and omissions;
- 13.4.3 are subject to the same restrictions as their appointors; and

- 13.4.4 are not deemed to be agents of or for their appointors.
- 13.5 A person who is an alternate director but not, in the absence of such appointment, a director:
- 13.5.1 may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating);
- 13.5.2 may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- 13.5.3 shall not be counted as more than one director for the purposes of Articles 13.5.1 and 13.5.2.
- 13.6 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present.
- 13.7 An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 13.8 An alternate director's appointment as an alternate terminates:
- 13.8.1 when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- 13.8.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director;
- 13.8.3 on the death of the alternate's appointor; or
- 13.8.4 when the alternate's appointor's appointment as a director terminates.
- 13.9 A director may not appoint any person to be an alternate director in respect of any committee of the directors.

#### **14 Proceedings of directors**

- 14.1 Subject to the provisions of these Articles and to any agreement from time to time between the members, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall be necessary to give notice of a meeting to a director who is absent from the United Kingdom. The quorum for the transaction of business at any meeting of the directors shall be two directors, one of which shall be the University Director for so long as the University Director is appointed and one of which shall be the Investor Director for so long as the Investor Director is appointed.

- 14.2 The directors may from time to time appoint committees consisting of one or more directors and may delegate any of their powers to any such committee. Any such delegation may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the directors but may meet and adjourn as it thinks proper provided that the quorum for a meeting of any committee shall throughout the meeting be at least two directors.
- 14.3 The chairman of the directors and of each committee of the directors shall not have a second or casting vote. All business arising at any meeting of the directors or of any committee of the directors shall be determined only by resolution and no such resolution shall be effective unless approved by a majority of the directors.
- 14.4 Any director or member of a committee of the directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 14.5 The continuing directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies in their number.

## **15 Notices**

- 15.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
- 15.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 24 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);
  - 15.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
  - 15.1.3 if properly addressed and sent or supplied by Electronic Communication, one hour after the document or information was sent or supplied; and
  - 15.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

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

- 15.2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006.



## **16     Indemnity**

16.1     Subject to the provisions of, and so far as may be consistent with, the Acts, but without prejudice to any indemnity to which he or she may be otherwise entitled, every director or other officer of the Company shall be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office, including any liability incurred by him in defending any proceedings, whether civil or criminal, PROVIDED that in the case of any director of the Company such indemnity shall not apply to any liability of that director:

16.1.1     to the Company or to any of its associated companies;

16.1.2     to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or

16.1.3     incurred:

- (i)     in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company or any of its associated companies in which judgment is given against him; or
- (ii)    in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief, in each case where the conviction, judgment or refusal by the court is final within the meaning stated in section 234 CA 2006.

16.2     Subject to the provisions of, and so far as may be consistent with, the Acts, every person engaged by the Company as an auditor shall, if the board so determine, be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office as an auditor including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an auditor of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.

16.3     The directors shall have power to purchase and maintain for any director (including an alternate director), officer or auditor of the Company insurance against any such liability as is referred in sections 234, 532 and 533 CA 2006 and, subject to the provisions of the Acts, against any other liability which may attach to him or loss or expenditure which he may incur in relation to anything done or alleged to have been done or omitted to be done as a director (including as an alternate director), officer or auditor.

16.4     The directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of

the Company for the benefit of any director (including an alternate director), other officer or auditor of such company in respect of such liability, loss or expenditure as is referred to in Article 16.2.

## **17     Insurance**

- 17.1   The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.
- 17.2   The directors may authorise the directors of Associated Companies to purchase and maintain insurance at the expense of the Company for the benefit of any relevant officer of such company in respect of any relevant loss.
- 17.3   In this Article a “**relevant loss**” means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer’s duties or powers in relation to the Company, any Associated Company or any pension fund or employees’ share scheme of the Company or Associated Company.

## **18     Data Protection**

- 18.1   Each of the shareholders of the Company (from time to time) consents to the processing of his personal data by the Company and its shareholders and directors (“**Recipient**”) for due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this Article shall include any information (but excepting all “sensitive data” as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) 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. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company’s shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.