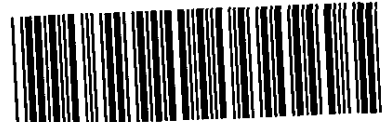


TUESDAY



RM *R7X6RB95* #16
15/01/2019
COMPANIES HOUSE

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
RESCAPE INNOVATION LIMITED

(Adopted by special resolution passed on 29 MAY 2018)

AGREED TERMS

1. INTERPRETATION

1.1 In these Articles, the following words have the following meanings:

Accepting Shareholders: has the meaning given in article 18.2;

Acquisition Price: in respect of any Share, either the subscription price paid (or agreed to be paid) in respect of that Share, including any share premium or in the event the Share was acquired by way of a transfer the price paid for such Share on transfer;

Act: the Companies Act 2006;

Affiliate Group Company: The Orchard Media and Events Group Limited and its subsidiaries (if any) for the time being and "**Affiliate Group Company**" means any of them.

Allocation Notice: has the meaning given in article 14.14;

Applicant: has the meaning given in article 14.14;

Appointor: has the meaning given in article 12.1;

Articles: the Company's articles of association for the time being in force;

Bad Leaver: a Leaver who is guilty of an act of fraud, dishonesty, wilful concealment or any other wrongful act or omission;

Board: the board of directors of the Company from time to time;

Business Day: a day other than a Saturday, Sunday or public holiday in England when banks in the City of London are open for business;

Conflict: a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company;

Consideration: has the meaning given in article 14.14;

Continuing Shareholders: has the meaning given in article 14.7;

Deemed Transfer Notice: a Transfer Notice that is deemed to have been served under any provisions of these Articles;

Fair Market Value: has the meaning given in article 16.1;

First Offer period: has the meaning given in article 14.7;

Founder Shareholder: means each of Matthew Wordley, Pablo Janczur, Alastair Wilson and Timothy Powell, together the "Founder Shareholders";

Founder Partner Shareholder: means each of Emma Wordley, Yvette Wilson or Josie Evans, together the "Founders Partners Shareholders";

Good Leaver: a Leaver who is not a Bad Leaver;

holding company: has the meaning given in article 1.5;

Initial Surplus: has the meaning given in article 14.9(c);

Interested Director: has the meaning given in article 10.1;

Leaver: a shareholder, who is not a Founder Shareholder or a Founder Partner Shareholder, holding Ordinary Shares who ceases to be either:

- (a) an employee, director or consultant of;
- (b) engaged by;

the Company or an Affiliate Group Company;

Majority Holding: has the meaning given in article 19.1;

Minimum Transfer Condition: has the meaning given in article 14.3(d);

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 and reference to a numbered "Model Article" is a reference to that article of the Model Articles;

New Member: has the meaning given in article 18.5;

Offeror: has the meaning given in article 18.1;

Ordinary Shares: the ordinary Shares of £0.001 each in the capital of the Company, having the rights set out in these Articles;

Other Shareholders: has the meaning given in article 18.3;

Proposed Buyer: has the meaning given in article 19.2;

Proposed Sale Date: has the meaning given in article 19.2;

Proposed Sale Notice: has the meaning given in article 19.2;

Proposed Sale Shares: has the meaning given in article 19.2;

Relevant Agreement: a shareholders' agreement or similar agreement between all or some of the shareholders of the Company in force from time to time.

Restricted Shares: has the meaning given in article 16.5;

Proposed Sellers: has the meaning given in article 19.1;

Sale Shares: has the meaning given in article 14.3;

Second Offer Period: has the meaning given in article 14.10;

Second Surplus Shares: has the meaning given in article 14.12;

Shares: the Ordinary Shares;

subsidiary: has the meaning given in article 1.5;

Termination Date: means:

- (a) *where employment ceases by virtue of notice given by the employer to the employee or notice given by the employee to the employer, the date on which such notice expires;*
- (b) *where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;*
- (c) *where an engagement (as a consultant, adviser or otherwise) is terminated or ceases by virtue of notice given by the relevant company to the individual engaged by that company or notice given by the relevant individual to the engaging company, the date of termination or on which such notice expires; and*
- (d) *where a member, other than a Founder Shareholder or Pounder Partner Shareholder, dies, the date of their death;*

Transfer Notice: has the meaning given in article 14.3;

Transfer Price: has the meaning given in article 14.3;

Valuers: an independent firm of accountants jointly appointed by the Founder Shareholders or, in the absence of agreement between the Founder Shareholders on the identity of the expert within 10 Business Days of a shareholder serving details of a suggested expert on the other, an independent firm of accountants appointed by the President, for the time being, of the *Institute of Chartered Accountants in England and Wales (in each case acting as an expert and not as an arbitrator); and*

Writing or written: the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise, save that, for the purposes of article 14, "writing" or "written" shall not include the sending or supply of notices, documents or information in electronic form (other than by fax).

- 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 Act shall have those meanings in these Articles but excluding any statutory modification of them not in force on the date when these Articles become binding on the Company.

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 A reference to a **holding company** or a **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of:

(a) another person (or its nominee), by way of security or in connection with the taking of security; or

(b) its nominee.

In the case of a limited liability partnership which is a subsidiary of a company or another limited liability partnership, section 1159 of the Act shall be amended so that: (a) references in sections 1159(1)(a) and (c) to voting rights are to the members' rights to vote on all or substantially all matters which are decided by a vote of the members of the limited liability partnership; and (b) the reference in section 1159(1)(b) to the right to appoint or remove a majority of its board of directors is to the right to appoint or remove members holding a majority of the voting rights.

1.6 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.8 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.9 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

2. ADOPTION OF THE MODEL ARTICLES

2.1 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 set out in the Schedule to these Articles.

2.2 Model Articles 6(2), 9, 11 to 14 (inclusive), 16, 17, 22, 27 to 29 (inclusive), 36, 38, 39, 43, 44(2), 49 and 50 to 53 (inclusive) shall not apply to the Company.

2.3 Model Article 20 shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".

- 2.4 In Model Article 25(2)(c), the words *"evidence, indemnity and the payment of a reasonable fee"* shall be deleted and replaced with the words *"evidence and indemnity"*.
- 2.5 Model Articles 31(1)(a) to (c) (inclusive) shall be amended by the deletion, in each case, of the words *"either"* and *"or as the directors may otherwise decide"*. Model Article 31(d) shall be amended by the deletion of the words *"either"* and *"or by such other means as the directors decide"*.

DIRECTORS

3. DIRECTORS' MEETINGS

- 3.1 Any decision of the directors must be taken at a meeting of directors in accordance with these Articles or must be a decision taken in accordance with article 4.
- 3.2 Subject as provided in these Articles, the directors may participate in directors' meetings for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 3.3 Meetings of the directors shall take place at least once every two calendar months. For the avoidance of doubt such meetings can take place in accordance with the provisions of article 9.
- 3.4 All decisions made at any meeting of the directors or of any committee of the directors shall be made only by resolution and resolutions at any meeting of the directors or committee of the directors shall be decided by a majority of votes.
- 3.5 If at any time before or at any meeting of the directors or of any committee of the directors all participating directors should request that the meeting be adjourned or reconvened to another time or date (whether to enable further consideration to be given to any matter or for other directors to participate or for any other reason, which need not be stated) then such meeting shall be adjourned or reconvened accordingly, and no business shall be conducted at that meeting after such a request has been made. No meeting of directors may be adjourned pursuant to this article more than once.
- 3.6 The provisions of article 7 shall apply equally to meetings of any committee of the directors as to meetings of the directors.

4. UNANIMOUS DECISIONS OF DIRECTORS

- 4.1 A decision of the directors is taken in accordance with this article when all directors indicate to each other by any means that they share a common view on a matter.
- 4.2 Such a decision may take the form of a resolution in writing, where each director has signed one or more copies of it, or to which each director has otherwise indicated agreement in writing.

5. NUMBER OF DIRECTORS

The number of directors shall not be less than two and shall not be subject to a maximum unless determined by an ordinary resolution. No shareholding qualification for directors shall be required.

6. CALLING A DIRECTORS' MEETING

- 6.1 Any director may call a meeting of directors by giving not less than ten (10) Business Days' notice of the meeting (or such shorter period of notice as agreed in writing by all directors) to each director or by authorising the Company secretary (if any) to give such notice.
- 6.2 Notice of any directors' meeting must be accompanied by:
- (a) an agenda specifying in reasonable detail the matters to be raised at the meeting; and
 - (b) copies of any papers to be discussed at the meeting.
- 6.3 Matters not on the agenda, or business conducted in relation to those matters, may not be raised at a meeting of directors unless all the directors agree in writing.

7. QUORUM FOR DIRECTORS' MEETINGS

- 7.1 The quorum at any meeting of the directors (including adjourned meetings) shall be three (3) directors.
- 7.2 Subject to Article 7.3 no business shall be conducted at any meeting of the directors unless a quorum is present at the beginning of the meeting and also when that business is voted on.
- 7.3 If a quorum is not present within 30 minutes of the time specified for the relevant meeting in the notice of the meeting then the meeting shall be adjourned for five (5) Business Days at the same time and place. If a quorum is not present at any such adjourned meeting within 30 minutes of the time specified, then the meeting shall be adjourned a second time for ten (10) Business Days at the same time and place. If a quorum is not present at the second adjourned meeting within 30 minutes of the time specified then those directors/the director present will constitute a quorum.

8. CHAIRING OF DIRECTORS' MEETINGS

The post of chairman of the directors will be held by such director as elected by the shareholders at a general meeting. The chairman shall not have a casting vote. If the chairman for the time being is unable to attend any meeting of the board of directors the meeting shall be adjourned for five (5) Business Days at the same time and place and the provisions of article 7.3 shall apply.

9. PARTICIPATION BY TELEPHONE OR OTHER FORM OF COMMUNICATION

- 9.1 Any director or his alternate may validly participate in a meeting of the directors or through the medium of conference telephone or any other form of communications equipment (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.
- 9.2 A person so participating by telephone or other communication shall be deemed to be present in person at the meeting and shall be counted in a quorum and entitled to vote. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no

group which is larger than any other group, where the chairman of the meeting then is.

- 9.3 A resolution passed at any meeting held in the above manner, and signed by the chairman of the meeting, shall be as valid and effectual as if it had been passed at a meeting of the board (or committee, as the case may be) duly convened and held.

10. DIRECTORS' INTERESTS

- 10.1 The directors may, in accordance with the requirements set out in this article, authorise any Conflict proposed to them by any director which would, if not so authorised, involve a director (the **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest.

- 10.2 Any authorisation under this article will be effective only if:

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration 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;
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.

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

- (a) extend to any actual or potential Conflict which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict;
- (c) provide that the Interested Director will or will not be eligible to vote in respect of any future decision of the directors in relation to any resolution related to the Conflict;
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit;
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 10.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.
- 10.5 The directors may revoke or vary such authorisation at any time but this will not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 10.6 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, the shareholder who appointed him as a director of the Company and no authorisation under article 10.1 shall be necessary in respect of any such interest.
- 10.7 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 10.8 Subject to sections 177(5) and 177(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a proposed transaction or arrangement with the Company shall declare the nature and extent of his interest to the other directors before the Company enters into the transaction or arrangement in accordance with the Act.
- 10.9 Subject to sections 182(5) and 182(6) of the Act, a director who is in any way, whether directly or indirectly, interested in a transaction or arrangement that has been entered into by the Company shall declare the nature and extent of his interest to the other directors as soon as is reasonably practicable in accordance with the Act, unless the interest has already been declared under article 10.8.
- 10.10 Subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 10.3, and provided a director has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- (a) may be a party to, or otherwise interested in, any such transaction or arrangement with the Company, or in which the Company is otherwise (directly or indirectly) interested;
 - (b) shall be a director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of directors) or participate in any unanimous decision, in respect of such transaction or arrangement or proposed transaction or arrangement in which he is interested;

- (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.

11. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the Company to retain a copy of such decisions.

12. ALTERNATE DIRECTORS

- 12.1 Any director (other than an alternate director) (the **Appointor**) may appoint any person (whether or not a director), to be an alternate director to exercise the Appointor's powers, and carry out the Appointor's responsibilities, in relation to the taking of decisions by the directors, in the absence of the Appointor. A person may be appointed an alternate director by more than one director.
- 12.2 Any appointment or removal of an alternate director must be effected by notice in writing to the Company (and to the alternate, on removal) signed by the Appointor, or in any other manner approved by the directors.
- 12.3 The notice must:
 - (a) identify the proposed alternate; and
 - (b) 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.
- 12.4 An alternate director has the same rights, in relation to any decision of the directors, as the alternate's Appointor.
- 12.5 Except as the Articles specify otherwise, alternate directors:
 - (a) are deemed for all purposes to be directors;
 - (b) are liable for their own acts and omissions;
 - (c) are subject to the same restrictions as their Appointors; and
 - (d) are not deemed to be agents of or for their Appointors,

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

12.6 A person who is an alternate director but not a director may:

- (a) be counted as participating for the purposes of determining whether a quorum is present at a meeting of directors (but only if that person's Appointor is not participating); and
- (b) participate in a unanimous decision of the directors (but only if his Appointor is a director in relation to that decision, and does not himself participate).

12.7 A director who is also an alternate director is entitled, in the absence of his Appointor(s), to a separate vote on behalf of each Appointor, in addition to his own vote on any decision of the directors.

12.8 An alternate director may be paid expenses and may be indemnified by the Company to the same extent as if he were a director but shall not be entitled to receive from the Company any remuneration in his capacity as an alternate director except such part (if any) of the remuneration otherwise payable to the alternate's Appointor as the Appointor may by notice in writing to the Company from time to time direct.

12.9 An alternate director's appointment as an alternate (in respect of a particular Appointor) terminates:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company and the alternate in writing specifying when it is to terminate; or
- (b) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a director; or
- (c) when the alternate director's Appointor ceases to be a director for whatever reason.

SHARES

13. SHARE TRANSFERS: GENERAL

13.1 In these Articles, reference to the transfer of a share includes the transfer, assignment or other disposal of a beneficial or other interest in that share, or the creation of a trust or encumbrance over that share, and reference to a share includes a beneficial or other interest in a share.

13.2 No share shall be transferred unless the transfer is made in accordance with these Articles, any Relevant Agreement or with the prior written consent of the holders of seventy five percent (75%) of the Shares in issue from time to time for the time being.

13.3 Subject to article 13.4, the directors must register any duly stamped transfer made in accordance with these Articles and shall not have any discretion to register any transfer of shares which has not been made in compliance with these Articles.

13.4 The directors may, as a condition to the registration of any transfer of shares in the Company require the transferee to execute and deliver to the Company a deed under which the transferee agrees to be bound by the terms of any Relevant Agreement as the directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document). If any such condition is imposed in accordance with this article 13.4, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.

13.5 To enable the directors to determine whether or not there has been a transfer of shares in the Company in breach of these Articles, the directors of any class may from time to time require any shareholder to provide the Company with such information and evidence as they may reasonably require relevant to that purpose. If a shareholder fails to provide information or evidence in respect of any shares registered in its name to the reasonable satisfaction of such directors within 14 days of their request, such directors may serve a notice on the shareholder stating that the shareholder shall not in relation to those shares be entitled to be present or to vote in person or by proxy at any general meeting of the Company or any meeting of the holders of shares of that class, or to vote on a written resolution of the shareholders or to receive dividends on the shares until such evidence or information has been provided to the directors' satisfaction. Such directors may reinstate these rights at any time.

13.6 Any transfer of shares by way of a sale that is required to be made under article 13, shall be deemed to include a warranty that the transferor sells the shares with full title guarantee.

14. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

14.1 Except for transfers in accordance article 14.2, no member shall transfer any Shares unless they transfer all (and not some only) of the Shares held by them.

14.2 A member can transfer some, and not all, of the Shares held by them where:

- (a) the holders of seventy five percent (75%) of the Shares in issue from time to time give their prior written consent, or
- (b) a shareholder is transferring Shares in accordance with an option agreement the Company has entered into on or around the date of adoption of these Articles.

14.3 A Founder Shareholder or Founder Partner Shareholder (**Seller**) wishing to transfer his shares (**Sale Shares**) must give notice in writing (a **Transfer Notice**) to the Company giving details of the proposed transfer including:

- (a) the number of Sale Shares;
- (b) if the Seller wishes to sell the Sale Shares to a third party, the name of the proposed buyer;
- (c) the price (in cash) at which he wishes to sell the Sale Shares (which will be deemed to be Fair Market Value of the Sale Shares if no cash price is agreed between the Seller and the directors (**Transfer Price**)); and
- (d) whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to shareholders (**Minimum Transfer Condition**).

- 14.4 Once given (or deemed to have been given) under these Articles, a Transfer Notice may not be withdrawn.
- 14.5 A Transfer Notice (or Deemed Transfer Notice) constitutes the Company as the agent of the Seller for the sale of the Sale Shares in accordance with the provisions of these Articles.
- 14.6 As soon as practicable following the receipt of a Transfer Notice, the directors shall offer the Sale Shares for sale in the manner set out in the remaining provisions of this Article at the Transfer Price. Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered.
- 14.7 The directors shall offer the Sale Shares:
- (a) firstly to one or more Board Invitees as directed by the Board, inviting them to apply in writing within the period from the date of the offer to the date twelve (12) months after the offer (both dates inclusive) (the **First Offer Period**) for the maximum number of Sale Shares they wish to buy;
 - (b) secondly to all Founder Shareholders and Founder Partner Shareholders other than the Seller (the **Continuing Shareholders**), inviting them to apply in writing within the period from the date of the expiry of the period in clause 14.7(a) to the date 28 Business Days after the expiry (both dates inclusive) (the **Second Offer Period**);
 - (c) thereafter, in accordance with the remaining provisions of this Article 14.
- 14.8 If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under article 14.9 to article 14.12 shall be conditional on the fulfilment of the Minimum Transfer Condition.
- 14.9 If:
- (a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to the number of Sale Shares, the directors shall allocate the Sale Shares to the Company as directed;
 - (b) not all Sale Shares are allocated in accordance with article 14.9(a) at the end of the First Offer Period, the total number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the directors shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion which his existing holding of shares bears to the total number of shares held by those Continuing Shareholders who have applied for Sale Shares. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Sale Shares being allocated, in which case the allocation of any such fractional entitlements among the Continuing Shareholders who have applied for Sale Shares shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy;
 - (c) not all Sale Shares are allocated following allocations in accordance with article 14.9(b), but there are applications for Sale Shares that have not been satisfied, the directors shall allocate the remaining Sale Shares to such applicant(s) in accordance with the procedure set out in article 14.9(b). The procedure set out in this article 14.9(c) shall apply on any

number of consecutive occasions until either all Sale Shares have been allocated or all applications for Sale Shares have been satisfied; and

- (d) at the end of the First Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the directors shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications. The balance (the **Initial Surplus Shares**) shall be dealt with in accordance with article 14.10.

14.10 At the end of the First Offer Period, the directors shall offer the Initial Surplus Shares (if any) to all the Continuing Shareholders, inviting them to apply in writing within the period from the date of the offer to the date 28 Business Days after the offer (both dates inclusive) (the **Second Offer Period**) for the maximum number of Initial Surplus Shares they wish to buy.

14.11 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is equal to or exceeds the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the remaining shareholder who has applied for Initial Surplus Shares in the proportion that his existing holding of shares (including any Sale Shares) bears to the total number of shares (including any Sale Shares) held by those Continuing Shareholders who have applied for Initial Surplus Shares during the Second Offer Period. Fractional entitlements shall be rounded down to the nearest whole number (save where such rounding would result in not all Initial Surplus Shares being allocated, in which case, the allocation of any such fractional entitlements among the Continuing Shareholders shall be determined by the directors). No allocation shall be made to a Continuing Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

14.12 If, at the end of the Third Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the directors shall allocate the Initial Surplus Shares to the respective shareholders in accordance with their applications. The balance (the **Second Surplus Shares**) shall be dealt with in accordance with article 14.17.

14.13 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Sale Shares applied for is less than the number of Sale Shares specified in the Minimum Transfer Condition, the directors shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under article 14.9 to article 14.12, stating that the Minimum Transfer Condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

14.14 If:

- (a) the Transfer Notice includes a Minimum Transfer Condition and such Minimum Transfer Condition has been satisfied, or the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) allocations under article 14.9 to article 14.12 have been made in respect of some or all of the Sale Shares,

the directors shall give written notice of allocation (an **Allocation Notice**) to the Seller and each Continuing Shareholder to whom Sale Shares have been allocated (each an **Applicant**). The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant, the amount payable by each Applicant for the number of Sale Shares allocated to him (**Consideration**) and the place and time for completion of the transfer of the Sale Shares (which shall

be at least 10 Business Days, but not more than 30 Business Days, after the date of the Allocation Notice).

- 14.15 On the date specified for completion in the Allocation Notice, the Seller shall, against payment of the Consideration, execute and deliver a transfer of the Sale Shares allocated to such Applicant, in accordance with the requirements specified in the Allocation Notice.
- 14.16 If the Seller fails to comply with article 14.17:
- (a) the Chairman of the Company (or, failing him, one of the other directors, or some other person nominated by a resolution of the directors) may, as agent on behalf of the Seller:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Consideration and give a good discharge for it (and no Applicant shall be obliged to see to the distribution of the Consideration); and
 - (iii) (subject to the transfers being duly stamped) enter the Applicants in the register of members as the holders of the Sale Shares purchased by them.
 - (b) the Company shall pay the Consideration into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate(s) for the relevant Sale Shares or an indemnity, in a form reasonably satisfactory to the directors, in respect of any lost certificate, together, in either case, with such other evidence (if any) as the directors may reasonably require to prove good title to those Sale Shares, to the Company.
- 14.17 If an Allocation Notice does not relate to all of the Sale Shares or the Transfer Notice lapses pursuant to article 14.13 then, subject to article 14.18 and within 4 weeks following service of the Allocation Notice or the date of the lapse of the Transfer Notice (as the case may be), the Seller may transfer the Second Surplus Shares or the Sale Shares (in the case of a lapsed offer) (as the case may be) to any person at a price at least equal to the Transfer Price. The sale of the Sale Shares (following the lapse of a Transfer Notice) in accordance with this article 14.17 shall continue to be subject to any Minimum Transfer Condition.
- 14.18 The Seller's right to transfer Sale Shares under article 14.17 does not apply if the directors reasonably considers that:
- (a) the transferee is a person (or a nominee for a person) who is a competitor with (or an associate of a competitor with) the business of the Company or with a subsidiary of the Company; or
 - (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (c) the Seller has failed or refused to provide promptly information available to the Seller and reasonably requested by the directors to enable it to form the opinion mentioned above.

- 14.19 The restrictions imposed by this Article may be waived in relation to any proposed transfer of Sale Shares with the consent of Founder Shareholders who, but for the waiver, would or might have been entitled to have such Sale Shares offered to them in accordance with this Article.

15. EXCLUSION OF THE STATUTORY PRE-EMPTION RIGHTS ON ISSUE

Sections 561 and 562 of the Act shall not apply to an allotment of equity securities made by the Company.

16. VALUATION

If no Transfer Price is specified in a Transfer Notice, or if a Transfer Notice is a Deemed Transfer Notice then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall obtain a fair market value of the Sale Shares (**Fair Market Value**) in writing from a Special Majority who shall, in determining the market value, be acting reasonably and shall, in their opinion, represent a fair market value for the shares as between a willing seller and a willing buyer and take account of whether the shares comprise a majority or minority interest in the Company.

17. COMPULSORY TRANSFERS

- 17.1 A shareholder is deemed to have served a Transfer Notice under article 14.3 immediately before any of the following events:

- (a) a petition being presented, or an order being made, for the shareholder's bankruptcy or winding up; or
- (b) an application to the court being made under section 253 of the Insolvency Act 1986 where the shareholder intends to make a proposal to his creditors for a voluntary arrangement; or
- (c) the shareholder making an individual voluntary arrangement with his creditors on agreed terms under section 263A of the Insolvency Act 1986; or
- (d) the shareholder having a liquidator, administrator, administrative receiver appointed over it or a material part of its business;
- (e) the shareholder convening a meeting of his creditors or taking any other steps with a view to making an arrangement or composition in satisfaction of his creditors generally; or
- (f) the shareholder being unable to pay his debts as they fall due within the meaning of section 268 of the Insolvency Act 1986; or
- (g) the happening in relation to a shareholder of any event analogous to any of the above in any jurisdiction in which he is resident, carries on business or has assets; or
- (h) the shareholder lacking capacity (under section 2 of the Mental Capacity Act 2005) to make decisions in relation to the Company or his shareholding; or
- (i) save for the Founder Shareholders and the Founder Partner Shareholders, the death of the shareholder.

- 17.2 A Deemed Transfer Notice has the same effect as a Transfer Notice, except that the Deemed Transfer Notice takes effect on the basis that:
- (a) the Sale Shares shall comprise all the shares held by the shareholder;
 - (b) no proposed transferee shall be specified in the Transfer Notice;
 - (c) the Transfer Price shall be:
 - (i) in respect of a Founder Shareholder or Founder Partner Shareholder determined by article 14.3(c);
 - (ii) in respect of any shareholder who is subject to any event set out in articles 17.1(a) to 17.1(i), the lower of Fair Market Value (calculated in accordance with article 16) and the price paid for those the Shares held by that shareholder,
 - (d) there shall be no Minimum Transfer Condition; and
 - (e) references to receipt of the Transfer Notice in articles 14.4 and 14.5 shall be replaced by the date of determination of the Fair Market Value if a Fair Market Value falls to be determined.
- 17.3 If a shareholder becomes a Leaver, that Leaver shall be regarded as giving a Deemed Transfer Notice in respect of all the Shares held by the Leaver on the Termination Date. In such circumstances the Sale Price shall be calculated as follows:
- 17.3.1 where the Leaver is a Bad Leaver, the lower of Fair Market Value (calculated in accordance with Article 16) and the Acquisition Price paid for those the Shares held by that Leaver; and
 - 17.3.2 where the Leaver is a Good Leaver, the Fair Market Value of the Shares held by that Leaver (calculated in accordance with article 16).
- 17.4 The Leaver's Shares shall be transferred as the Board may direct at its discretion. The provisions of article 14.3 shall apply to any Deemed Transfer Notice arising pursuant to article 17.3 (save that the Sale Price for such transfer shall be determined in accordance with Article 17.3).
- 17.5 All voting rights attached to the Leaver's Shares, if any, shall be suspended on the Termination Date (**Restricted Shares**). However, any shareholder holding Restricted Shares shall have the right to receive a notice of, and to attend, all general meetings of the Company, but shall have no right to vote either in person or by proxy.
- 17.6 All voting rights attached to the Restricted Shares transferred under this article 17 shall be automatically restored on completion of the transfer.
- 17.7 If a Leaver, having become bound to transfer any Shares pursuant to this article, makes default in transferring the same the directors may authorise some person who is (as security for the performance of the Leaver's obligations) hereby irrevocably and unconditionally appointed as the attorney of the Leaver for the purpose to execute the necessary instrument of transfer of such Shares and may deliver it on his behalf and the Company may receive the purchase money and shall thereupon (subject to such instrument being duly stamped with any necessary stamp duty) cause the transferee to be registered as the holder of

such Shares and shall hold such purchase money on behalf of the Leaver. The Company shall not be bound to see to the application thereof, and after the name of the transferee has been entered in the register of members in purported exercise of the aforesaid power the validity of the proceedings shall not be questioned by any person.

18. DRAG ALONG

- 18.1 In these articles a *Qualifying Offer* shall mean an offer in writing by or on behalf of any person (**Offeror**) to the holders of the entire equity share capital in the Company to acquire all their equity share capital.
- 18.2 If the holders of more than 75% in nominal value of the equity share capital then in issue (**Accepting Shareholders**) wish to accept the *Qualifying Offer*, then the provisions of this article shall apply.
- 18.3 The *Accepting Shareholders* shall give written notice to the remaining holders of the equity share capital (**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*.
- 18.4 If any *Other Shareholder* shall not, within five Business Days of being required to do so, execute and deliver transfers in respect of the equity shares held by him and deliver the certificate(s) in respect of the same (or a suitable indemnity in lieu thereof), then any *Accepting Shareholder* shall be entitled to execute, and shall be entitled to authorise and instruct such person as he thinks fit to execute, the necessary transfer(s) and indemnities on the *Other Shareholder's* behalf and, against receipt by the Company (on trust for such Shareholder) of the consideration payable for the relevant Shares, deliver such transfer(s) and certificate(s) or indemnities to the Offeror (or his nominee) and register such Offeror (or his nominee) as the holder thereof and, after such registration, the validity of such proceedings shall not be questioned by any person.
- 18.5 Upon any person, following the issue of a notice pursuant to article 18.3, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the company (**New Member**), a notice shall be deemed to have been served upon the *New Member* on the same terms as the previous notice who shall thereupon be bound to sell and transfer all such shares acquired by him to the Offeror or as the Offeror may direct and the provisions of this article shall apply mutatis mutandis to the *New Member* save that completion of the sale of such shares shall take place forthwith upon the notice being deemed served on the *New Member*.

19. TAG ALONG

- 19.1 If at any time one or more Shareholders (**Proposed Sellers**) propose to sell, in one or a series of related transactions, seventy five percent or more in nominal value of the Ordinary Shares (**Majority Holding**) to any person (not being an Offeror for the purposes of article 19.1) the *Proposed Sellers* may only sell the *Majority Holding* if they comply with the provisions of this article.
- 19.2 The *Proposed Sellers* shall give written notice (**Proposed Sale Notice**) to the other holders of the equity share capital in the Company of such *Intended sale* at least ten (10) Business Days prior to the date thereof. The *Proposed Sale Notice* shall set out, to the extent not described in any accompanying documents, the identity of the proposed buyer (**Proposed Buyer**), the purchase price and other

terms and conditions of payment, the proposed date of sale (**Proposed Sale Date**) and the number of Shares proposed to be purchased by the Proposed Buyer (**Proposed Sale Shares**).

- 19.3 Any other holder of equity share capital in the Company shall be entitled, by written notice given to the Proposed Sellers within five (5) Business Days of receipt of the Proposed Sale Notice, to be permitted to sell all of his Shares to the Proposed Buyer on the same terms and conditions as those set out in the Proposed Sale Notice.
- 19.4 If any other holder of equity share capital in the Company is not given the rights accorded him by the provisions of this article, the Proposed Sellers shall be required not to complete their sale and the Company shall be bound to refuse to register any transfer intended to carry such a sale into effect.

DECISION MAKING BY SHAREHOLDERS

20. QUORUM FOR GENERAL MEETINGS

- 20.1 The quorum at any general meeting of the Company, or adjourned general meeting, shall be three (3) persons present in person or by proxy, who between them must hold fifty percent (50%) of the Shares in the Company.
- 20.2 No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.

21. CHAIRING GENERAL MEETINGS

The chairman of the board of directors shall chair general meetings. If the chairman is unable to attend any general meeting, the shareholders who appointed him shall be entitled to appoint another of its nominated directors present at the meeting to act as chairman at the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

22. VOTING

- 22.1 At a general meeting, on a show of hands every shareholder who is present in person or by proxy shall have one vote, unless the proxy is himself a shareholder entitled to vote; on a poll every shareholder present in person or by proxy shall have one vote for each share of which he is the holder; and on a vote on a written resolution every shareholder has one vote for each share of which he is the holder.
- 22.2 Any resolution proposed as a written resolution in relation to any of the matters listed in article 22.1 shall be proposed in a form that provides shareholders with the ability to cast their votes against as well as in favour of such resolution.

23. POLL VOTES

- 23.1 A poll may be demanded at any general meeting by a qualifying person (as defined in section 318 of the Act) present and entitled to vote at the meeting.
- 23.2 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.

24. PROXIES

- 24.1 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 general meeting (or adjourned meeting) to which they relate".
- 24.2 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" as a new paragraph at the end of that article.

ADMINISTRATIVE ARRANGEMENTS

25. MEANS OF COMMUNICATION TO BE USED

- 25.1 Subject to article 25.3, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient:
- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (b) if sent by fax, at the time of transmission; or
 - (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9.00 am on the second Business Day after posting; or
 - (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9.00 am on the fifth Business Day after posting; or
 - (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address; or
 - (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied; or
 - (g) 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; and
 - (h) if deemed receipt under the previous paragraphs of this article 25 would occur outside business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9.00 on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt.
- 25.2 To prove service, it is sufficient to prove that:
- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address; or

- (b) If sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number; or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted; or
- (d) If sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient.

25.3 Any notice, document or other information served on, or delivered to, an intended recipient under article 14, (as the case may be) may not be served or delivered in electronic form (other than by fax), or by means of a website.

25.4 In proving that any notice, document or information was properly addressed, it will suffice to show that the notice, document or information was addressed to an address permitted for the purpose by the Act.

26. INDEMNITY AND INSURANCE

26.1 Subject to article 26.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

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

- (i) in the actual or purported execution and/or discharge of his duties, or in relation to them; and
- (ii) in relation to the Company's activities as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act),

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

(b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 26.1 and otherwise may take action to enable any such relevant officer to avoid incurring such expenditure.

26.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

26.3 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.

26.4 In this article:

(a) a "relevant officer" means any director or other officer or former director or other officer of the Company but excluding in each case any person engaged by

the Company as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor; and

- (b) *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 or any pension fund of the Company.*