

Company number: 11100473

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
WRITTEN RESOLUTIONS
TORTOISE MEDIA LTD (the "Company")

WEDNESDAY



Passed . 29 MAY2018

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

ORDINARY RESOLUTIONS

1.	THAT in accordance with section 551 of the Act, the Directors be and are hereby generally and unconditionally authorised to allot ordinary shares of £0.000001 each in the capital of the Company (the " Ordinary Shares ") and series seed shares of £0 000001 each in the capital of the Company up to an aggregate nominal value of £0.83732, provided that this authority shall unless renewed, varied or revoked by the Company prior to such date, expire five years from the date of passing of this resolution
2.	THAT in accordance with section 551 of the Act, the directors of the Company be generally and unconditionally authorised to allot Ordinary Shares and grant rights to subscribe for Ordinary Shares (" Rights ") to directors, employees, consultants and advisors of the Company up to a maximum nominal value of £0.355662 (the " Option Shares ") and to allot and issue Option Shares pursuant to the exercise of such Rights, provided that this authority is for a period expiring five years from the date of this resolution, unless renewed, varied or revoked by the Company, save that the Company may, before such expiry, make an offer or agreement which would or might require Option Shares to be allotted or Rights to be granted and the directors may allot Option Shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL RESOLUTIONS

3	THAT the directors be generally empowered to allot the shares pursuant to the authority conferred by Resolutions 1 and 2 as if any restrictions as to pre-emption, including but not limited to those restrictions
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	contained in section 561 of the Act, did not apply to any such allotment and any rights of pre-emption in connection therewith are hereby waived.
4.	THAT , the articles of association of the Company attached hereto as <u>Exhibit A</u> be approved and adopted as the new articles of association of the Company in substitution for and to the entire exclusion of the existing articles of association (the " New Articles ")



Director

COMPANY NUMBER : 11100473

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

TORTOISE MEDIA LTD

(Adopted by a special resolution passed on 29 May 2018)

**JAG SHAW
BAKER**  **EXCELLENCE
INNOVATION
GROWTH**

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Index

Clause No.	Page No.
1. Introduction	1
2. Definitions.. . . .	1
3. Share capital	6
4. Dividends	7
5. Return of capital	7
6. Exit provisions.	7
7. Votes in general meeting and written resolutions	8
8. Conversion of Series Seed Shares	8
9. Deferred Shares	10
10. Variation of rights	10
11. Allotment of new shares or other securities: pre-emption	10
12. Vesting of Relevant Shares	11
13. Transfers of Shares – general	12
14. Permitted Transfers	14
15. Transfers of Shares subject to pre-emption rights	15
16. Valuation of Shares	18
17. Compulsory transfers – general	19
18. Mandatory Offer on a Change of Control	20
19. Drag-along	21
20. Co-Sale	23
21. Number of Directors	24
22. Appointment of Directors	24
23. Proceedings of Directors	24

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

TORTOISE MEDIA LTD

(Adopted by a special resolution passed on 29 May 2018)

1. Introduction

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

2. Definitions

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

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

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

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

"Associate" in relation to any person means:

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

"Auditors" means the auditors of the Company from time to time;

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

"Bad Leaver" means a person who ceases to be an Employee as a consequence of that person's dismissal as an Employee for cause, where **"cause"** shall mean

- (i) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of that person's misconduct or as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or
- (ii) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996;

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

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

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

"Company" means Tortoise Media Ltd;

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

"Conversion Date" has the meanings given in Article 8.1 and Article 8.2(a) (as applicable);

"Conversion Ratio" has the meaning given in Article 8.5,

"CTA 2010" means the Corporation Tax Act 2010,

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

"Deferred Conversion Date" means the date the Relevant Shares convert into Deferred Shares pursuant to Articles 12.1 or 12.2;

"Deferred Shares" means deferred shares of £0.000001 each in the capital of the Company from time to time,

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

"Effective Termination Date" means the date on which the Founder's employment or consultancy terminates,

"Employee" means an individual who is employed by or who provides consultancy services to the Company or any member of the Group or (in the case of Matthew Barzun only) non-executive directorship services to the Company or any member of the Group (and shall not include the Investor Director),

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

"Equity Securities" has the meaning given in sections 560(1) to (3) inclusive of the Act;

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

"Exit" means a Share Sale, an Asset Sale or an IPO;

"Expert Valuer" is as determined in accordance with Article 16.2;

"Fair Value" is as determined in accordance with Article 16;

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

"Financial Year" has the meaning set out in section 390 of the Act;

"Founder" means James Paul Harding and, for the purposes of Article 12 only, Matthew Barzun;

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

"Good Leaver" means a person who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Board, with the consent of an Investor Majority, determines that a person is not a Bad Leaver;

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

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

"Investor Director" means the director of the Company appointed in accordance with the terms of the Subscription and Shareholders' Agreement;

"Investor Majority" means the holder(s) from time to time of more than 75% of the Equity Shares held by the Investors,

"Investors" shall have the meaning given in the Subscription and Shareholders' Agreement;

"IPO" means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

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

"Leaver's Percentage" means, in relation to and for the purposes of determining the number of Relevant Shares that are to be converted into Deferred Shares (pursuant to Article 12) as a result of a Founder ceasing to be an Employee within the period commencing on the Date of Adoption and ending on the Effective Termination Date, the percentage (rounded to the nearest two decimal places) as calculated using the formula below

$$75 - ((1/36 \times 75) \times NM),$$

where NM = number of full calendar months from the Date of Adoption to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 37th month after the Date of Adoption and thereafter;

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

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

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

"New Securities" means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 11.5);

"Offer" has the meaning set out in Article 18.2;

"Offer Period" has the meaning set out in Article 18.3;

"Ordinary Shareholders" means the holders from time to time of the Ordinary Shares;

"Ordinary Shares" means the ordinary shares of £0 000001 each in the capital of the Company from time to time;

"Original Shareholder" has the meaning set out in Article 14.1;

"Permitted Transfer" means a transfer of Shares in accordance with Article 14;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act) means any Member of the same Group, and
- (c) in relation to a Shareholder which is an Investment Fund means any Member of the same Fund Group,

"Preference Amount" means £12.54 per share, in respect of the Series Seed Shares;

"Priority Rights" means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 15.6;

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

"Proceeds of Sale" means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale;

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

"Proposed Sale Date" has the meaning given in Article 18.3;

"Proposed Sale Notice" has the meaning given in Article 18.3;

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

"Proposed Transfer" has the meaning given in Article 18.1;

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

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

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

"Relevant Period" means 36 months from the Date of Adoption;

"Relevant Shares" means (a) in the case of James Harding, all Ordinary Shares held by the Founder, or (b) in the case of Matthew Barzun, the 100,000 Ordinary Shares held by him prior to the date of this Agreement;

"Sale Shares" has the meaning set out in Article 15.2(a);

"Seller" has the meaning set out in Article 15.2;

"Series Seed Majority" means the holders of a majority of the Series Seed Shares then outstanding from time to time;

"Series Seed Shareholders" means the holders of the Series Seed Shares from time to time;

"Series Seed Shares" means series seed shares of £0 000001 each in the capital of the Company from time to time,

"Shareholder" means any holder of any Shares;

"Share Option Plan(s)" means the share option plan(s) of the Company from time to time;

"Shares" means the Ordinary Shares, Series Seed Shares and Deferred Shares from time to time;

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

"Subscription and Shareholders' Agreement" means the subscription and shareholders' agreement relating to the Company entered into on or around the Date of Adoption and as may be amended from time to time;

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

"Transfer Notice" shall have the meaning given in Article 15.2;

"Transfer Price" shall have the meaning given in Article 15.2(c);

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

"Unvested" means those Relevant Shares which remain capable of being converted into Deferred Shares under Article 12

3. Share capital

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.
- 3.2 Except as otherwise provided in these Articles, the Series Seed Shares and the Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares
- 3.3 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.

3.4 The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical, electronic or other means or may be printed on them. Article 24(5) of the Model Articles shall be amended accordingly

3.5 Subject to the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

4. Dividends

4.1 In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.

4.2 Any Available Profits which the Company may determine to distribute in respect of any Financial Year; will be distributed among the holders of the Equity Shares (pari passu as if the Equity Shares constituted one class of share) pro rata to their respective holdings of Equity Shares.

4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period.

4.4 Every dividend shall accrue on a daily basis assuming a 365-day year. All dividends are expressed net and shall be paid in cash.

5. Return of capital

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so):

- (a) first, in paying to each of the Series Seed Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Series Seed Shareholders pro rata to their respective holdings of Series Seed Shares;
- (b) second, in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares); and
- (c) the balance of the surplus assets shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

6. Exit provisions

6.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale

6.2 On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5.

7. Votes in general meeting and written resolutions

- 7.1 The Series Seed Shares shall confer on each holder of Series Seed Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company
- 7.2 The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.3 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.

8. Conversion of Series Seed Shares

- 8.1 Any holder of Series Seed Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the fully paid Series Seed Shares held by them at any time and those Series Seed Shares shall convert automatically on the date of such notice (the "**Conversion Date**"), provided that the holder may in such notice, state that conversion of its Series Seed Shares into Ordinary Shares is conditional upon the occurrence of one or more events (the "**Conditions**").
- 8.2 All of the fully paid Series Seed Shares shall automatically convert into Ordinary Shares:
- (a) on the date of a notice given by the Series Seed Majority (which date shall be treated as the Conversion Date), or
 - (b) immediately upon the occurrence of an IPO.
- 8.3 In the case of (i) Articles 8.1 and 8.2(a), not more than five Business Days after the Conversion Date or (ii) in the case of Article 8.2(b), at least five Business Days prior to the occurrence of the IPO, each holder of the relevant Series Seed Shares shall deliver the certificate (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Series Seed Shares being converted to the Company at its registered office for the time being.
- 8.4 Where conversion is mandatory on the occurrence of a IPO, that conversion will be effective only immediately prior to and conditional upon such IPO (and "**Conversion Date**" shall be construed accordingly) and, if such IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 8.1, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date such conversion shall be deemed not to have occurred
- 8.5 On the Conversion Date, the relevant Series Seed Shares shall without further authority than is contained in these Articles stand converted into Ordinary Shares on the basis of one Ordinary Share for each Series Seed Share held (the "**Conversion Ratio**"), and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares
- 8.6 The Company shall on the Conversion Date enter the holder of the converted Series Seed Shares on the register of members of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or an indemnity for lost certificate in a form acceptable to the Board) in respect of the Series Seed Shares in accordance with this Article, the Company shall within 10 Business Days of

the Conversion Date forward to such holder of Series Seed Shares by post to his address shown in the register of members, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares.

- 8.7 On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Series Seed Shares failing to be converted a dividend equal to all accruals of dividends in relation to those Series Seed Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any accruals of dividends that remain outstanding shall continue to be at debt due from and immediately payable by the Company
- 8.8 The Conversion Ratio shall from time to time be adjusted in accordance with the provisions of this Article.
- (a) if Series Seed Shares remain capable of being converted into new Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the Conversion Ratio shall be adjusted by an amount which is required to maintain the right to convert so as to ensure that each Series Seed Shareholder is in no better or worse position as a result of such consolidation or sub-division, such adjustment to become effective immediately after such consolidation or sub-division;
 - (b) if Series Seed Shares remain capable of being converted into Ordinary Shares, on an allotment of fully-paid Ordinary Shares pursuant to a capitalisation of profits or reserves to holders of Ordinary Shares the Conversion Ratio shall be adjusted by an amount which is required to maintain the right to convert so as to ensure that each Series Seed Shareholder is in no better or worse position as a result of such capitalisation of profits or reserves, such adjustment to become effective as at the record date for such issue
- 8.9 If any Series Seed Shareholder becomes entitled to fractions of an Ordinary Share as a result of conversion ("**Fractional Holders**"), the Directors may (in their absolute discretion) deal with these fractions as they think fit on behalf of the Fractional Holders. In particular, the Directors may aggregate and sell the fractions to a person for the best price reasonably obtainable and distribute the net proceeds of sale in due proportions among the Fractional Holders or may ignore fractions or accrue the benefit of such fractions to the Company rather than the Fractional Holder. For the purposes of completing any such sale of fractions, the chairman of the Company or, failing him, the secretary will be deemed to have been appointed the Fractional Holder's agent for the purpose of the sale.
- 8.10 If a doubt or dispute arises concerning an adjustment of the Conversion Ratio in accordance with Article 8.8, or if so requested by a Series Seed Majority, the Board shall refer the matter to the Auditors for determination who shall make available to all Shareholders their report and whose certificate as to the amount of the adjustment is, in the absence of manifest error, conclusive and binding on all concerned and their costs shall be met by the Company.
- 8.11 If Series Seed Shares remain capable of being converted into new Ordinary Shares and Ordinary Shares are offered by the Company by way of rights to holders of Ordinary Shares (an "**Offer By Way of Rights**"), the Company shall on the making of each such offer, make a like offer to each Series Seed Shareholder as if immediately before the record date for the Offer By Way Of Rights, his Series Seed had been converted into fully-paid Ordinary Shares at the then applicable Conversion Ratio.

9. Deferred Shares

- 9.1 Subject to the Act, any Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).
- 9.2 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
- (a) appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise); and/or
 - (b) give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or
 - (c) purchase such Deferred Shares in accordance with the Act,
- in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.
- 9.3 No Deferred Share may be transferred without the prior consent of the Board.

10. Variation of rights

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

11. Allotment of new shares or other securities: pre-emption

- 11.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 11.2 Unless otherwise agreed by the Investor Majority, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the "**Subscribers**") on the same terms and at the same price as those New Securities are being offered to other persons on a pari passu and pro rata basis to the number of Equity Shares (as if the Equity Shares constituted one and the same class) held by such Shareholders (as nearly as may be without involving fractions). The offer shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the "**Subscription Period**") and give details of the number and subscription price of the New Securities.

- 11.3 At the end of the Subscription Period, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 11.4 Subject to the requirements of Articles 11.2 and 11.3 (and to the provisions of section 551 of the Act), any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 11.5 The provisions of Articles 11.2 to 11.4 (inclusive) shall not apply to:
- (a) options to subscribe for Ordinary Shares under the Share Option Plan;
 - (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles;
 - (c) New Securities issued as a result of a bonus issue of Shares available to all Equity Shareholders on a pro rata basis and which has been approved in writing by the Board;
 - (d) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Board;
 - (e) New Securities issued in connection with strategic partnership transactions approved by the Board; or
 - (f) New Securities issued pursuant to a venture debt or other financing transaction approved in writing by the Board, including the Investor Director (or, if an Investor Director has not been appointed, the Investor Majority).
- 11.6 No Shares shall be allotted to any Employee, Director, prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company if so required by the Company.

12. Vesting of Relevant Shares

- 12.1 Unless the Board determines that this Article 12.1 shall not apply, if at any time during the Relevant Period a Founder ceases to be an Employee by reason of being a Good Leaver, the Leaver's Percentage of the Relevant Shares relating to that Founder shall automatically convert into Deferred Shares (rounded down to the nearest whole share)
- 12.2 Unless the Board determines that this Article 12.2 shall not apply, if at any time a Founder ceases to be an Employee by reason of being a Bad Leaver during the Relevant Period, all of the Relevant Shares relating to that Founder shall automatically convert into Deferred Shares.
- 12.3 Upon conversion into Deferred Shares in accordance with either Article 12.1 or 12.2, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Founder (and any Permitted Transferee(s) of that Founder) shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Unvested Shares so converting and upon such delivery there shall be issued to him (or the

Permitted Transferee(s) of the Founder) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Shares

13. Transfers of Shares – general

- 13.1 In Articles 13 to 19 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 13.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 13.3 Unless express provision is made in these Articles to the contrary, a Shareholder shall not, and shall not agree to, transfer or otherwise dispose of the whole or any part of his interest in, or rights in respect of, or grant any option or other rights over any Shares held by such Shareholder to any person except with the prior written consent of the Founder (for so long as the Founder is a full-time Employee, after which the consent of the Board shall be required). The Founder and the Board (as the case may be) shall act reasonably when considering such proposed transfer, and shall provide consent in the absence of any commercially reasonable reason to refuse.
- 13.4 Unless express provision is made in these Articles to the contrary, for a period of 24 months following Completion, no Ordinary Shares held by the Founder shall be transferred without Investor Majority Consent.
- 13.5 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 13.6 Any transfer of a Share by way of sale which is required to be made under Articles 15 to 19 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 13.7 The Directors may refuse to register a transfer if:
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind,
 - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
 - (c) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
 - (d) the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, or
 - (e) these Articles otherwise provide that such transfer shall not be registered.

If the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent

- 13.8 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 13.8 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 13.9 To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles, the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:
- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:
 - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or
 - (ii) to receive dividends or other distributions otherwise attaching to those shares or to any further shares issued in respect of those shares; and
 - (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

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

- 13.10 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.
- 13.11 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:
- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares,

- (b) it does not include a Minimum Transfer Condition (as defined in Article 15.2(d)(d)); and
 - (c) the Seller wishes to transfer all of the Shares held by it.
- 13.12 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.
- 14. Permitted Transfers**
- 14.1 A Shareholder (who is not a Permitted Transferee) (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise.
- 14.2 Shares previously transferred as permitted by Article 14.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 14.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.
- 14.4 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 14.5 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares.
- 14.6 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 14.7 No transfer of Shares may be made to Trustees unless the Board is satisfied.
 - (a) with the terms of the trust instrument and in particular with the powers of the trustees;
 - (b) with the identity of the proposed trustees;
 - (c) the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

- (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 14.8 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board) to have given a Transfer Notice in respect of such Shares.
- 14.9 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - (b) give a Transfer Notice to the Company in accordance with Article 15.2,
- failing which he shall be deemed to have given a Transfer Notice
- 14.10 On the death (subject to Article 14.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 14.11 A transfer of any Shares approved by the holders of at least 75 per cent of the Equity Shares (including the Founder) may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 14.12 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board (including the Founder).

15. Transfers of Shares subject to pre-emption rights

- 15.1 Save where the provisions of Articles 14, 18 and 19 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 15.
- 15.2 A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Shares which he wishes to transfer (the "**Sale Shares**");

- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (c) the price at which he wishes to transfer the Sale Shares (the "**Transfer Price**"); and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**")

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

15.3 Except with consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

15.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

15.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice, and
- (b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 16,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 15.6 and 15.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

15.6 *Priority for offer of Sale Shares*

The Sale Shares shall be offered to the Equity Shareholders on the basis as set out in Article 15.7

15.7 *Transfers: Offer*

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all Equity Shareholders specified in the offer other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition, then any allocation made under this Article 15.7 will be conditional on the fulfilment of the Minimum Transfer Condition
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who has applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Equity Shares bears to the total number of Equity Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

- (d) If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 15.8(e).

15.8 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 15.7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

- (b) If:

- (i) the Transfer Notice does not include a Minimum Transfer Condition; or
- (ii) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 15.7 and once the requirements of Article 18 have been fulfilled to the extent required, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 15.8(c):
 - (i) the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller.
 - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and
 - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 15.8(f), the Seller may, within eight weeks after service of the Allocation

Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

- (f) The right of the Seller to transfer Shares under Article 15 8(e) does not apply if the Board is of the opinion on reasonable grounds that:
 - (i) the transferee is a person (or a nominee for a person) who the Board determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
 - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

16. Valuation of Shares

16.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 13.11 or 15.2 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 16.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

16.2 The Expert Valuer will be either:

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

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

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the

issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and

- (e) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.
- 16.4 If any difficulty arises in applying any of these assumptions or bases, then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 16.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 16.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 16.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 16.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 16.9 The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
 - (b) the Transfer Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.

17. Compulsory transfers – general

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

If either requirement in this Article 17.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine

- 17.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or Reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees save to the extent that the Directors may determine.
- 17.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

18. Mandatory Offer on a Change of Control

- 18.1 Except in the case of Permitted Transfers and transfers pursuant to Article 17, after going through the pre-emption procedure in Article 15, the provisions of Article 18.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Shares (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company
- 18.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Equity Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 18.7).
- 18.3 The Offer must be given by written notice (a "**Proposed Sale Notice**") at least 10 Business Days (the "**Offer Period**") prior to the proposed sale date ("**Proposed Sale Date**") The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser
- 18.4 If any other holder of Equity Shares is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect
- 18.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 18.6 The Proposed Transfer is subject to the pre-emption provisions of Article 15 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 15.
- 18.7 For the purpose of this Article:
- (a) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
 - (i) in the Proposed Transfer; or

- (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,

plus an amount equal to the Relevant Sum, as defined in Article 18.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Article 5;

- (b) **Relevant Sum** = $C \div A$

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

C = the Supplemental Consideration.

19. Drag-along

- 19.1 If the holders of at least 75 per cent of the Equity Shares, including the Founder (the "**Selling Shareholders**"), wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to compel each other holder of Shares (each a "**Called Shareholder**" and together the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the "**Drag Purchaser**") in accordance with the provisions of this Article.

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

- (a) the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article;
- (b) the person to whom they are to be transferred;
- (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
- (d) the proposed date of transfer, and
- (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the "**Sale Agreement**"),

(and, in the case of paragraphs (b) to (d) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

- 19.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business

Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

- 19.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5 (the "**Drag Consideration**").
- 19.5 In respect of a transaction that is the subject of a Drag-Along Notice, a Called Shareholder shall not be obliged to give warranties or indemnities (except a warranty as to capacity and the full title guarantee of the Shares held by such Called Shareholder).
- 19.6 Within three Business Days of the Company serving a Drag Along Notice on the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the "**Drag Completion Date**"), each Called Shareholder shall deliver:
- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
 - (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
 - (c) duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the "**Drag Documents**").
- 19.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 19.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 19 in respect of their Shares.
- 19.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 19 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration that is due to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.
- 19.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 15

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

20. Co-Sale

- 20.1 No transfer (other than a Permitted Transfer) of any Shares may be made or validly registered unless the relevant Shareholder (a "**Selling Shareholder**") shall have observed the following procedures of this Article 20 unless an Investor Majority has determined that this Article 20 shall not apply to such transfer.
- 20.2 After the Selling Shareholder has gone through the pre-emption process set out in Article 11, the Selling Shareholder shall give to each other holder of Equity Shares ("**Relevant Equity Holders**") not less than ten Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**"). The Co-Sale Notice shall specify:
- (a) the identity of the proposed purchaser (the "**Buyer**");
 - (b) the price per share which the Buyer is proposing to pay;
 - (c) the manner in which the consideration is to be paid;
 - (d) the number of Shares which the Selling Shareholder proposes to sell; and
 - (e) the address where the counter-notice should be sent.
- 20.3 Each Relevant Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Relevant Equity Holder wishes to sell. The maximum number of shares which a Relevant Equity Holder can sell under this procedure shall be:

$$\left(\frac{X}{Y} \right) \times Z$$

where

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

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

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

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

- 20.4 Following the expiry of five Business Days from the date the Relevant Equity Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Relevant Equity Holders a number of shares not exceeding the

number specified in the Co-Sale Notice less any shares which Relevant Equity Holders have together indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Relevant Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer

20.5 Sales made in accordance with this Article 20 shall not be subject to Article 11.

21. Number of Directors

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be no more than three and no less than two.

22. Appointment of Directors

22.1 Subject to Articles 22.2 and 23.2, the Founder, for so long as he is a Shareholder and has not breached the Subscription and Shareholders' Agreement, shall have the right to appoint and maintain in office two natural persons, one of whom shall serve as the chairman of the Board (the "**Chairman**"), to hold office as a Director of the Company (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Founder or otherwise, to appoint another director in his place.

22.2 If the Founder becomes (i) a Bad Leaver or (ii) a Good Leaver during the Relevant Period, all Directors appointed pursuant to Article 22.1 shall be deemed to have resigned as Directors of the Company with immediate effect.

22.3 If the Founder becomes a Good Leaver at any time after the Relevant Period, then, for so long as he is a Shareholder, he shall have the right to appoint and maintain in office one natural person to hold office as a Director of the Company (and as a member of each and any committee of the Board) and to remove any director so appointed and, upon his removal whether by the Founder or otherwise, to appoint another director in his place, and who may also serve as the Chairman.

22.4 The Investor Majority (including the Lead Investor, for so long as they hold not less than 5% of the issued Equity Shares) shall have the right to appoint and maintain in office one natural person acceptable to the Founder and the Investor Majority to hold office as a director of the Company (and as a member of each and any committee of the Board) and to remove the director so appointed and, upon his removal whether by the Investor Majority or otherwise, to appoint another director in his place.

23. Proceedings of Directors

23.1 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.

23.2 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.

23.3 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and

extent of his interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest of the following kind

- (a) where a Director (or a person connected with him) is party to or in any way directly or indirectly interested in, or has any duty in respect of, any existing or proposed contract, arrangement or transaction with the Company or any other undertaking in which the Company is in any way interested,
- (b) where a Director (or a person connected with him) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, or in any way interested in, any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) where a Director (or a person connected with him) is a shareholder in the Company or a shareholder in, employee, director, member or other officer of, or consultant to, a Parent Undertaking of, or a Subsidiary Undertaking of a Parent Undertaking of, the Company;
- (d) where a Director (or a person connected with him) holds and is remunerated in respect of any office or place of profit (other than the office of auditor) in respect of the Company or body corporate in which the Company is in any way interested,
- (e) where a Director is given a guarantee, or is to be given a guarantee, in respect of an obligation incurred by or on behalf of the Company or any body corporate in which the Company is in any way interested;
- (f) where a Director (or a person connected with him or of which he is a member or employee) acts (or any body corporate promoted by the Company or in which the Company is in any way interested of which he is a director, employee or other officer may act) in a professional capacity for the Company or any body corporate promoted by the Company or in which the Company is in any way interested (other than as auditor) whether or not he or it is remunerated for this,
- (g) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (h) any other interest authorised by ordinary resolution