

Company Number: 11643242

The Companies Act 2006

Private Company Limited by Shares

Articles of Association

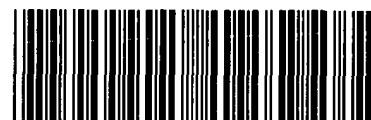
of

**BILLBUDDY LIMITED**

(the Company)

(As adopted by members' written resolution passed on 10 November 2020)

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## CONTENTS

1	PRELIMINARY .....	1
2	SHARE CAPITAL .....	6
3	FURTHER ISSUES OF SHARES.....	6
4	PRE-EMPTION RIGHTS ON FURTHER ISSUE OF SHARES .....	6
5	LIEN ON SHARES.....	6
6	FORFEITURE OF SHARES .....	8
7	TRANSFER OF SHARES.....	12
8	RELEVANT LEAVER CALL OPTION.....	14
9	PERMITTED AND RESTRICTED TRANSFERS .....	15
10	INFORMATION ABOUT SHAREHOLDINGS AND TRANSFERS .....	15
11	REGISTRATION OF TRANSFERS .....	16
12	DRAG ALONG RIGHTS .....	16
13	DE-MINIMUS PURCHASE OF OWN SHARES .....	18
14	NOTICE OF GENERAL MEETINGS .....	19
15	PROCEEDINGS AT GENERAL MEETINGS .....	19
16	GENERAL MEETING ON MEMBERS' REQUISITION.....	20
17	PROXIES .....	20
19	ALTERNATE DIRECTORS .....	22
20	REMUNERATION OF DIRECTORS .....	22
21	DIRECTORS' EXPENSES.....	23
22	POWERS OF DIRECTORS .....	23
23	PROCEEDINGS OF THE DIRECTORS .....	23
24	TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY .....	25
25	DIRECTORS' INTERESTS .....	25
26	NOTICES .....	27
27	INDEMNITY AND INSURANCE .....	27
28	DATA PROTECTION.....	28

**The Companies Act 2006**

**Private Company Limited by Shares**

**Articles of Association**

of

**BillBuddy Limited**

(As adopted by members' written resolution passed on 16 November 2020)

**1 PRELIMINARY**

**1.1** In these Articles, if not inconsistent with the context, the following expressions have the following meanings:

**Act** means the Companies Act 2006 including any statutory re-enactment or modification thereof from time to time in force;

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

**Articles** means these articles of association;

**Associate** means in respect of the Investor, an associated company or a person connected with that person (and whether a person is an associated company or is so connected shall be determined in accordance with sections 449 and 1122 of the Corporation Tax Act 2010 save that, in construing these sections the term control shall have the meaning given by section 450 or section 1124 of the Corporation Tax Act 2010 so that there shall be control wherever either of the said sections would so require);

**Bad Leaver** means an Employee Shareholder, who is not a Good Leaver;

**Bad Leaver Call Option Price** has the meaning given in Article 8.3.2;

**Board** means the board of directors of the Company from time to time;

**Business Day** means a day when banks in London are open for general business (other than a Saturday, Sunday or public holiday in England);

**Buyer** has the meaning given in Article 7.10;

**Called Shares** has the meaning given in Article 8.2.1;

**Clear Days** means in relation to a period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Completion Date** has the meaning given in Article 12.4;

**Conflict Authorisation** has the meaning given in Article 25.1;

**Conflict Authorisation Terms** has the meaning given in Article 25.7;

**Conflict Situation** has the meaning given in Article 25.1;

**Continuing Shareholder** has the meaning given in Article 7.4.2;

**Defaulting Shareholder** has the meaning given in Article 12.9;

**Designated Recipient** means, with respect to the Shares of a Relevant Leaver, either the Company, another Shareholder or any other person, in each case at the Board's discretion;

**director** means a director of the Company from time to time;

**Drag Along Notice** has the meaning given in Article 12.3;

**Drag Along Completion** has the meaning given in Article 12.2;

**Dragged Shareholders** has the meaning given in Article 12.3;

**Dragged Shares** has the meaning given in Article 12.3;

**eligible director** means a director who would be entitled to vote on the matter at a meeting of the Board (but excluding any director whose vote is not to be counted in respect of the particular matter);

**electronic communication** has the meaning given to it in the Electronic Communications Act 2000;

**Election Date** has the meaning given in Article 8.2;

**Employee Shareholder** means:

- (a) any Shareholder who is an individual and is employed or engaged in any capacity by the Company (excluding the Investor but including, for the avoidance of doubt, the Founders); and
- (b) Daniel Richards, whilst a Shareholder;

**Encumbrance** means any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, title retention or any other security agreement or arrangement;

**Excess Application** has the meaning given in Article 7.8;

**Expert** means a firm of chartered accountants agreed between the relevant Relevant Leaver and the Board, provided that, if the Relevant Leaver and the Board cannot agree on the identity of the Expert within 10 Business Days, the Board and the Relevant Leaver (or either of them) shall request that the Chairman of the Institute of Chartered Accountants of England and Wales selects the Expert with such selection to be binding on the Relevant Leaver and the Company;

**Fair Value** means the value of the entire issued share capital of the Company divided by the number of Shares in issue, valuing the entire issued share capital of the Company on the basis of an arm's-length sale between a willing seller and a willing buyer using, inter alia, the following assumptions:

- (a) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so and that no clients or suppliers of the Company will cease dealing with it as a result of the sale, save where any such person or entity has already ceased to deal with the Company as a consequence of the Relevant Leaver leaving the Company;
- (b) that the then current Board and staff (other than the Relevant Leaver) will remain employed by the Company on their then current terms;
- (c) that all the Shares are capable of being transferred without restriction or Encumbrance;
- (d) that all Shareholders are willing vendors and would join in giving customary warranties and indemnities, subject to all relevant disclosures; and
- (e) so as to have regard to any premium or discount being attributable to the percentage of the issued share capital of the Company which the Shares in question represent;

**Founder** has the meaning given in the Subscription and Shareholders' Agreement;

**Founder Director** has the meaning given in the Subscription and Shareholders' Agreement;

**Good Leaver** means an Employee Shareholder who the Board (in its absolute discretion) determines has become a Relevant Leaver:

- (a) in the case of the Founders:
  - (i) on or before 29 July 2021, as a result of the Employee Shareholder's death, serious illness or permanent disability or is otherwise determined by the Board (in its absolute discretion) to be a Good Leaver; or
  - (ii) after 29 July 2021, for any reason;
- (b) in any other case (including Daniel Richards):
  - (i) on or before the second anniversary of becoming a Shareholder as a result of the Employee Shareholder's death, serious illness or permanent disability or is otherwise determined by the Board (in its absolute discretion) to be a Good Leaver; or
  - (ii) after the second anniversary of the date of becoming a Shareholder for any reason, other than by way of dismissal (which is not a dismissal found by a tribunal or court of competent jurisdiction to have been substantially unfair);

**Good Leaver Call Option Price** means with respect to the relevant Good Leaver's Shares, an aggregate amount equal to the Fair Value of such Shares;

**Group** has the meaning given in the Subscription and Shareholders' Agreement;

**in writing** means written, or produced by any visible substitute for writing, which is in or capable of being converted into non-transitory form or partly one and partly another;

**Interested Director** has the meaning given in Article 25.1;

**Investor** has the meaning given in the Subscription and Shareholders' Agreement;

**Investor Director** means the director(s) appointed by the Investor pursuant to the Subscription and Shareholders' Agreement;

**Leaver Call Completion Date** has the meaning given in Article 8.2.3;

**Leaver Call Option** has the meaning given in Article 8.1;

**Leaver Call Notice** has the meaning given in Article 8.2;

**Majority Shares** has the meaning given in Article 12.1;

**member** has the meaning given in section 112 of the Act;

**Model Articles** means the model articles prescribed by Schedule 1 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

**Nominal Value** means in relation to any Share, the nominal amount of such Share;

**Offer** has the meaning given in Article 7.4;

**Ordinary Shares** means the ordinary shares of 0.01p each in the Company;

**Ordinary A Shares** means the ordinary A shares of 0.01p each in the Company;

**Permitted Transfer** means a transfer made in accordance with Article 9;

**Permitted Transferee** means a person to whom Shares are transferred pursuant to Article 9;

**Prescribed Price** has the meaning given in Article 7.4.2;

**Principal Investor Director** has the meaning given in the Subscription and Shareholders' Agreement;

**Pro Rata Percentage** means, with respect to any Shareholder, a percentage equal to (i) a fraction, the numerator of which shall equal the number of Shares held by such Shareholder as of such date of determination, and the denominator of which shall equal the aggregate number of Shares issued and outstanding as of such date of determination, multiplied by (ii) 100;

**Proposed Buyer** has the meaning given in Article 12.2;

**Proposed Transferee** has the meaning given in Article 7.4;

**Proposed Transferor** has the meaning given in Article 7.4;

**Relevant Leaver** means an Employee Shareholder who ceases to be employed or engaged by:

- (a) in the case of Daniel Richards, the Investor or any member of its Group at any time;
- (b) in the case of the Founders, the Company;

- (i) on or before 29 July 2021, for any reason; or
  - (ii) after 29 July 2021 for any reason other than the Founder resigning and serving notice in accordance with the terms of their employment contract or other agreement for their services with the Company; or
- (c) in all other cases, the Company at any time;

**ROFR Acceptance** has the meaning given in Article 7.7;

**ROFR Acceptance Period** has the meaning given in Article 7.7;

**ROFR Offer** has the meaning given in Article 7.6;

**Sale Notice** has the meaning given in Article 12.2;

**Sale Shares** has the meaning given in Article 7.4;

**Selling Shareholder** has the meaning given in Article 12.1;

**Share** means a share in the capital of the Company;

**Shareholder** means any of the holders of Shares and the expression **Shareholders** shall mean all of them;

**Subscription and Shareholders' Agreement** means the subscription and shareholders' Agreement entered into on 29 July 2019 of these Articles between the Shareholders and the Company, as amended from time to time;

**Subscription Price** means in relation to any Share, the amount paid up or credited as paid up on such Share including the full amount of any premium at which such Share was issued or transferred;

**Termination Date** means, with respect to any Employee Shareholder, the date on which such Employee Shareholder resigns or is otherwise served with notice terminating their employment or engagement with the Investor or a member of its Group (in respect of Daniel Richards) or the Company (in any other case) for any reason, save in the case of an Employee Shareholder who is placed on a period of garden leave (in accordance with the relevant Employee Shareholder's employment or service agreement in place from time to time) in which case the relevant termination date shall be the date of commencement of such period of garden leave;

**Transfer** means in relation to a Share it being sold, transferred, assigned, hypothecated, pledged or otherwise encumbered or disposed of, directly or indirectly, whether with or without consideration and whether voluntarily or involuntarily or by operation of law; and

**Transfer Notice** has the meaning given in Article 7.4.

## 1.2 In these Articles:

1.2.1 use of the singular includes the plural and vice versa;

1.2.2 use of any gender includes the other genders;

1.2.3 any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts; and

1.2.4 headings are included for convenience only and do not affect the interpretation of these Articles.

1.3 Save as aforesaid unless the context otherwise requires:

1.3.1 any words or expressions contained in these Articles shall bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these Articles became binding on the Company; and

1.3.2 words or expressions defined in the Model Articles shall bear the same meaning in these Articles and reference in these Articles to a **Model Article** is a reference to the relevant article of the Model Articles.

1.4 The Model Articles shall, except in so far as they are excluded or modified by these Articles, apply to the Company and together with these Articles shall constitute the articles of the Company.

1.5 Model Articles 6(2), 8(3), 11(2), 13, 14(1) to 14(4) (inclusive), 16, 26(5), 27 to 29 (inclusive), 52 and 53 of the Model Articles shall not apply to the Company.

## 2 **SHARE CAPITAL**

2.1 The Shares shall rank *pari passu* in all respects save that as regards dividends, the directors shall be entitled to declare dividends on the Ordinary Shares and the Ordinary A Shares as separate classes of Share and if a dividend is declared on a class of any of those Shares, then the total dividend shall be distributed amongst, and shall be paid to, the members within that class *pari passu* in proportion to the paid up nominal amounts on the class of Shares respectively held by them.

2.2 The Shares shall have no right of redemption either at the option of the Company or the Shareholders.

## 3 **FURTHER ISSUES OF SHARES**

Save to the extent authorised in accordance with the Subscription and Shareholders' Agreement, the Board shall not exercise any power to allot Shares or to grant rights to subscribe for, or to convert any security into, any Shares.

## 4 **PRE-EMPTION RIGHTS ON FURTHER ISSUE OF SHARES**

In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Shares made by the Company.

## 5 **LIEN ON SHARES**

### ***Company's lien on Shares***

5.1 The Company shall have a first and paramount lien (the **Company's Lien**) on every Share registered in the name of any Shareholder (whether solely or jointly with others and whether



or not it is a fully paid Share) for all monies due and payable to the Company in respect of the Nominal Value and Subscription Price of such Shares from him or his estate, whether solely or jointly with any person (whether a Shareholder or not). The Board may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The Company's Lien on a Share shall extend to all dividends and other monies payable thereon.

***Enforcement of the Company's Lien***

5.2 Subject to the provisions of this Article 5, if:

5.2.1 a Lien Enforcement Notice has been given in respect of a Share; and

5.2.2 the person to whom the notice was given has failed to comply with it,

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

5.3 Where Shares are sold under this Article 5:

5.3.1 the Board may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser; and

5.3.2 the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.

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

5.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and

5.4.2 second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Board has been given for any lost certificate, and subject to a lien equivalent to the Company's Lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.

5.5 A statutory declaration by a director that the declarant is a director and that a Share has been sold to satisfy the Company's Lien on a specified date:

5.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

5.5.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.

5.6 For the purposes of this Article 5, a **Lien Enforcement Notice** means a notice given by the Company in accordance with Article 26 which:

5.6.1 may only be given in respect of a Share which is subject to the Company's Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;

5.6.2 must specify the Share concerned;

5.6.3 must require payment of the sum within 14 Clear Days of the notice;

5.6.4 must be addressed either to the holder of the Share or to a transmittee of that holder; and

5.6.5 must state the Company's intention to sell the Share if the notice is not complied with.

## 6 FORFEITURE OF SHARES

### ***Call Notices***

6.1 Subject to the Articles and the terms on which Shares are allotted, the Board may send a notice (a **Call Notice**) to a Shareholder requiring the Shareholder to pay to the Company a specified sum of money (a **Call**) which is payable to the Company in respect of the Nominal Value or Subscription Price due on Shares held by that Shareholder at the date when the Board decide to send the Call Notice.

6.2 A Call Notice:

6.2.1 may not require a Shareholder to pay a Call which exceeds the total amount of his indebtedness or liability to the Company;

6.2.2 must state when and how any Call to which it relates is to be paid; and

6.2.3 may permit or require the Call to be made in instalments.

6.3 A Shareholder must comply with the requirements of a Call Notice, but no Shareholder is obliged to pay any Call before 14 Clear Days have passed since the notice was sent.

6.4 Before the Company has received any Call due under a Call Notice the Board may:

6.4.1 revoke it wholly or in part; or

6.4.2 specify a later time for payment than is specified in the notice,

by a further notice in writing to the Shareholder in respect of whose Shares the Call is made.

### ***Liability to pay Calls***

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

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

- 6.7 Subject to the terms on which Shares are allotted, the Board may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them:

6.7.1 to pay Calls which are not the same; or

6.7.2 to pay Calls at different times.

***When Call Notice need not be issued***

- 6.8 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share:

6.8.1 on allotment;

6.8.2 on the occurrence of a particular event; or

6.8.3 on a date fixed by or in accordance with the terms of issue.

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

***Failure to comply***

- 6.9 If a person is liable to pay a Call and fails to do so by the Call Payment Date:

6.9.1 the Board may issue a notice of intended forfeiture to that person; and

6.9.2 until the Call is paid, that person must pay the Company interest on the Call from the Call Payment Date at the Relevant Rate.

- 6.10 For the purposes of this Article 6:

6.10.1 the **Call Payment Date** is the date when the Call Notice states that a Call is payable, unless the Board give a notice specifying a later date, in which case the **Call Payment Date** is that later date; and

6.10.2 subject to Article 6.11, the **Relevant Rate** is

(a) the rate fixed by the terms on which the Share in respect of which the Call is due was allotted;

(b) such other rate as was fixed in the Call Notice which required payment of the Call, or has otherwise been determined by the Board; or

(c) if no rate is fixed in either of these ways, five per cent per annum.

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

- 6.12 The Board may waive any obligation to pay interest on a Call wholly or in part.

***Notice of intended forfeiture***

6.13 A notice of intended forfeiture:

- 6.13.1 may be sent in respect of any Share in respect of which a Call has not been paid as required by a Call Notice;
- 6.13.2 must be sent to the holder of that Share (or all the joint holders of that Share) or to a transmittee of that holder;
- 6.13.3 must require payment of the Call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 Clear Days after the date of the notice;
- 6.13.4 must state how the payment is to be made; and
- 6.13.5 must state that if the notice is not complied with, the Shares in respect of which the Call is payable will be liable to be forfeited.

***Board's power to forfeit Shares***

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

***Effect of forfeiture***

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

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

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

- 6.16.1 is deemed to have been forfeited when the Board decide that it is forfeited;
- 6.16.2 is deemed to be the property of the Company; and
- 6.16.3 may be sold, re-allotted or otherwise disposed of as the Board think fit.

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

- 6.17.1 the Company must send that person notice that forfeiture has occurred and record it in the Company's register of members;
- 6.17.2 that person ceases to be a Shareholder in respect of those Shares;
- 6.17.3 that person must surrender the certificate for the Shares forfeited to the Company for cancellation;

- 6.17.4 that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- 6.17.5 the Board may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 6.18 At any time before the Company disposes of a forfeited Share, the Board may decide to cancel the forfeiture on payment of all Calls, interest and expenses due in respect of it and on such other terms as they think fit.

***Procedure following forfeiture***

- 6.19 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Board may authorise any person to execute the instrument of transfer.
- 6.20 A statutory declaration by a director that the declarant is a director and that a Share has been forfeited on a specified date:
  - 6.20.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
  - 6.20.2 subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Share.
- 6.21 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 6.22 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:
  - 6.22.1 was, or would have become, payable; and
  - 6.22.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

***Surrender of Shares***

- 6.23 A Shareholder may surrender any Share:
  - 6.23.1 in respect of which the Board may issue a notice of intended forfeiture;
  - 6.23.2 which the Board may forfeit; or
  - 6.23.3 which has been forfeited.
- 6.24 The Board may accept the surrender of any such Share.

- 6.25 The effect of surrender on a Share is the same as the effect of forfeiture on that Share.
- 6.26 A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

## 7 TRANSFER OF SHARES

### *General Restrictions on Transfer*

- 7.1 Subject to Article 8 (*Relevant Leaver Call Option*), Article 9 (*Permitted Transfers*), Article 12 (*Drag Along Rights*) and the Subscription and Shareholders' Agreement:

- 7.1.1 prior to the second anniversary of the date of adoption of these Articles, no Share and no interest in any Share (other than Shares registered in the name of the Investor) shall, without the consent of the Investor, be the subject of a Transfer;
- 7.1.2 subject to Article 7.1.1, any Transfer of Shares shall only be made in compliance with the provisions of this Article 7; and
- 7.1.3 a Shareholder shall only be permitted to Transfer all (but not some only, without the prior written consent of the Investor) of its Shares.

### *Registration of transfers*

- 7.2 The transferor of a Share shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of members of the Company in respect thereof.
- 7.3 The Board shall refuse to register any instrument of transfer of Shares which has not been entered into in accordance with the provisions of these Articles or which purports to be made to a minor, a bankrupt or a person of unsound mind.

### *Right of First Refusal*

#### *Transfer notices*

- 7.4 Subject to Article 7.1.1, Article 8 (*Relevant Leaver Call Option*), Article 9 (*Permitted Transfers*) and Article 12 (*Drag Along Rights*) if, a Shareholder (the **Proposed Transferor**) desires to Transfer Shares to a bona fide third party purchaser (the **Proposed Transferee**), such Proposed Transferor shall be required, before Transferring any such Shares, to deliver a written notice (**Transfer Notice**) to the Board confirming that it has received an offer from such third party purchaser which must be for cash consideration only and all of which must be payable on completion of the proposed sale (an **Offer**) for the sale of all (but not part, unless agreed in writing by the Investor) of its Shares and any Shares held by its Permitted Transferees (the **Sale Shares**) and shall state in such Transfer Notice:

- 7.4.1 the identity of the Proposed Transferee;
- 7.4.2 the aggregate number of Sale Shares, the aggregate offer price for the Sale Shares, the price per Sale Share (such price per Share being the **Prescribed Price**); and
- 7.4.3 the material terms and conditions of the Offer.

- 7.5 The Board shall procure that a copy of the Transfer Notice shall, as soon as reasonably practicable, be sent to each of the other Shareholders (each a **Continuing Shareholder**).
- 7.6 With effect from the date of the Transfer Notice, all of the Sale Shares shall be deemed to be offered by the Proposed Transferor to the Continuing Shareholders who shall be entitled to acquire their Pro-Rata Percentage of Sale Shares, each at the Prescribed Price and on the same terms and conditions as the Offer (the **ROFR Offer**).
- 7.7 The Transfer Notice shall also stipulate the period of time, which shall not be less than 10 Business Days (the **ROFR Acceptance Period**), during which the ROFR Offer must be accepted in writing by any of the Continuing Shareholders (a **ROFR Acceptance**) or it shall lapse.
- 7.8 Each Continuing Shareholder shall indicate in its ROFR Acceptance whether it wishes to acquire its Pro-Rata Percentage of the Sale Shares or, if it wishes to acquire more than its Pro-Rata Percentage of the Sale Shares, the proportion of the Sale Shares which it wishes to acquire (such excess above a Continuing Shareholder's Pro-Rata Percentage being an **Excess Application**).
- 7.9 If any Continuing Shareholder either elects not to acquire their Pro-Rata Percentage of Sale Shares or does not respond to the ROFR Offer within the ROFR Acceptance Period, such Continuing Shareholder's Pro-Rata Percentage of the Sale Shares shall be allocated pro-rata to any Buyer who has submitted an Excess Application until all Excess Applications have been satisfied.
- 7.10 Subject to Article 7.12 if, within the ROFR Acceptance Period, any Continuing Shareholder elects to acquire Sale Shares pursuant to the ROFR Offer (each a **Buyer**) and provided that there are Buyers for all Sale Shares pursuant to the ROFR Offer, the Proposed Transferor shall be bound to enter into a transfer in respect of the Sale Shares to each Buyer on payment to the Proposed Transferor of the aggregate Prescribed Price in respect of such Sale Shares by such Buyer.
- 7.11 If, following the deemed service of the offer pursuant to Article 7.6, any Continuing Shareholders either:
- 7.11.1 notify the Company that they do not wish to acquire their Pro-Rata Percentage of the Sale Shares; or
- 7.11.2 do not confirm by the expiry of the ROFR Acceptance Period whether or not they have elected to acquire their Pro-Rata Percentage of the Sale Shares,
- and such Sale Shares have not been re-allocated to Buyers who have submitted Excess Applications pursuant to Article 7.9 the Proposed Transferor shall at any time during a period of 60 days thereafter be entitled, subject to the remaining provisions of these Articles, to transfer the Sale Shares to the Proposed Transferee pursuant to the Offer at a price which is not less than the Prescribed Price per Sale Share and on materially the same terms and conditions as are set out in the Offer.
- 7.12 A Transfer Notice shall be revocable by the Proposed Transferor at any time, provided that once revoked, the Proposed Transferor shall be obliged to comply with the provisions of this Article 7 in respect of any Offer, whether from the same or any other third party purchaser.

- 7.13 Any Sale Shares shall be deemed to be sold with full title guarantee and free from any encumbrances.

## 8 RELEVANT LEAVER CALL OPTION

- 8.1 An Employee Shareholder who becomes a Relevant Leaver may be required by the Board to transfer all or some of the Shares held by him (whether held directly by such Relevant Leaver or by one or more of his Permitted Transferees) to Designated Recipient(s) pursuant to the terms and conditions set out in this Article 8 (the **Leaver Call Option**).

- 8.2 The Leaver Call Option may be exercised by the Board during the period of 6 months following the date on which an Employee Shareholder becomes a Relevant Leaver by delivering written notice (a **Leaver Call Notice**) to such Relevant Leaver (and such Relevant Leaver's Permitted Transferee(s), if any) (the date of such Relevant Leaver Call Notice being the **Election Date**). The Leaver Call Notice shall set out:

- 8.2.1 the number of Shares to be transferred to the Designated Recipient(s) (the **Called Shares**);
- 8.2.2 the aggregate consideration to be paid for such Called Shares, in accordance with Article 8.3;
- 8.2.3 the date and place of the completion of such Transfer, which date shall not be less than 10 Business Days nor more than 120 days from the Election Date (the **Leaver Call Completion Date**); and
- 8.2.4 if the Relevant Leaver is a Good Leaver, the Board's determination of the Good Leaver Call Option Price.

- 8.3 If a Relevant Leaver is served a Leaver Call Notice in accordance with Article 8.2;

- 8.3.1 if the Relevant Leaver is a Good Leaver, then the price at which their Shares shall be transferred shall be the Good Leaver Call Option Price at the Relevant Leaver's Termination Date; or
- 8.3.2 if the Relevant Leaver is a Bad Leaver, then the price at which their Shares shall be transferred shall be their Nominal Value (**Bad Leaver Call Option Price**).

- 8.4 If the price contained in the Leaver Call Notice is calculated by reference to the Fair Value of such Called Shares, and the Board's determination of Fair Value is not accepted by the relevant Relevant Leaver and an agreement cannot be reached between the Board and the Relevant Leaver within 10 Business Days of the Board's determination, the Fair Value of the relevant Shares shall be as certified by the Expert, acting as an expert and not an arbitrator and whose determination shall be final and binding on the Company and the Relevant Leaver. If the Expert's determination is more than 10% greater than the Board's valuation the Company will be liable to pay for all of the costs of the Expert's determination and, in all other circumstances, the Relevant Leaver shall bear those costs.

- 8.5 The completion of the Transfers contemplated by this Article 8 shall take place on the Leaver Call Completion Date. On the Leaver Call Completion Date the price payable to the Relevant Leaver for the transfer of the Called Shares, as determined in accordance with Articles 8.3 shall be satisfied in cash on the Leaver Call Completion Date in an amount equal to the



Good Leaver Call Option Price or the Bad Leaver Call Option Price with respect to such Called Shares at the Election Date, in each case, to be allocated pro rata among such Relevant Leaver and his Permitted Transferee(s) based upon the respective portions of the Called Shares held thereby immediately prior to exercise of the Leaver Share Call Option.

- 8.6 The Called Shares shall be deemed to be sold with full title guarantee and free from all Encumbrances.

## 9 PERMITTED AND RESTRICTED TRANSFERS

- 9.1 The restrictions on transfer contained in Article 7 (*Transfers of Shares*) and Article 11 (*Registration of Transfers*) shall not apply to:

- 9.1.1 any Transfer of Shares by the Investor to an Associate;
- 9.1.2 any Transfer of Shares by the Investor to Daniel Richards;
- 9.1.3 without prejudice to Article 12 (*Drag Along Rights*), any Transfer of Shares made with the consent of the holders of 90% of the issued Shares (which must include the Investor and the Founders), provided that this Article 9.1.3 shall not of itself enable Shares to be transferred more than once;
- 9.1.4 any Transfer of Shares pursuant to an offer made in accordance with Article 12 (*Drag Along Rights*); or
- 9.1.5 any Transfer of Shares pursuant to Article 8.

- 9.2 No Shares may be transferred under this Articles 9.1.1 to 9.1.4 if they are the subject of Leaver Call Notice pursuant to Article 8.2.

- 9.3 Any Transfer of Shares pursuant to Articles 9.1.1, 9.1.3 or 9.1.5 shall require any new shareholder to execute a deed of adherence (under which he undertakes to adhere to and be bound by the provisions of the Subscription and Shareholders' Agreement as if he were an original party to it) as a condition of such transfer.

## 10 INFORMATION ABOUT SHAREHOLDINGS AND TRANSFERS

- 10.1 For the purpose of ensuring that a transfer of Shares is duly authorised under these Articles, the Board may from time to time require:

- 10.1.1 any Shareholder;
- 10.1.2 the legal personal representatives of a deceased Shareholder;
- 10.1.3 any person named as transferee in any transfer lodged for registration; or
- 10.1.4 any person who was, is or may be an Associate,

to provide the Company with such information and evidence as the Board may think fit including (but not limited to) the names, addresses and interests of all persons having interests in the Shares from time to time registered in the Shareholder's name.

10.2 If such information or evidence is not provided to the satisfaction of the Board within 10 Business Days after request, the Board:

10.2.1 shall refuse to register the transfer in question; and

10.2.2 may serve a notice on the Shareholder or other person entitled or claiming to be entitled to be registered as the holder of the Shares stating that the Shareholder or such other person may not:

(a) attend or vote (personally or by proxy) at any general meeting or at any class meeting; or

(b) receive dividends on his Shares,

until the evidence or information has been provided to the Board's satisfaction.

## 11 REGISTRATION OF TRANSFERS

11.1 The Board may refuse to register a transfer of a Share on which the Company has a lien.

11.2 The Board shall refuse to register an allottee or transferee of Shares or a person entitled to Shares by transmission if he is required by the Subscription and Shareholders' Agreement to execute a deed of adherence (under which he undertakes to adhere to and be bound by the provisions of such agreement as if he were an original party to it) until the allottee or transferee has executed and delivered such deed.

11.3 If the Board refuse to register a transfer of Shares they shall, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of, and the reasons for, refusal.

11.4 On the transfer of any Share as permitted by these Articles any Share transferred shall remain of the same class as before the transfer.

## 12 DRAG ALONG RIGHTS

12.1 The provisions of this Article 12 shall apply if any Shareholder (on his own or acting in concert with one or more other Shareholders (each a **Selling Shareholder**)) proposes to sell or transfer Shares (the **Majority Shares**) that constitute (i) all the Shares owned by such Shareholders and (ii) in aggregate constitute 90% or more of all the Shares in issue at the time of the proposed sale or transfer as part of a bona fide arm's length transaction to any person other than another Shareholder or a Permitted Transferee.

12.2 The Selling Shareholder may (but shall not be obliged to) give to the Company not less than 15 Business Days' prior written notice of that proposed sale or transfer. That notice (the **Sale Notice**) will include details of the Majority Shares, the payment terms and the proposed price per Majority Share to be paid by the proposed buyer (the **Proposed Buyer**), details of the Proposed Buyer and the place, date and time for completion of the proposed purchase being a date not less than 15 Business Days from service of the Sale Notice (the **Drag Along Completion**). Any Sale Notice received by the Company less than 15 Business Days before the proposed date of the Drag Along Completion shall be ineffective.

12.3 As soon as practicable upon receipt of a Sale Notice, the Company shall give notice in writing (**Drag Along Notice**) to each of the Shareholders (other than the Selling

Shareholder) (**Dragged Shareholders**) giving the details contained in the Sale Notice and requiring each of them to sell and transfer to the Proposed Buyer at the Drag Along Completion all Shares held by them (and any of their Permitted Transferees) (the **Dragged Shares**), provided that the Selling Shareholder may withdraw a Sale Notice at any time prior to the Drag Along Completion by written notice to the Company to that effect and, on service of that notice, each Drag Along Notice shall no longer be binding and shall cease to have any effect.

- 12.4 Each Called Shareholder who is given a Drag Along Notice shall, in the event of the proposed sale or transfer proceeding, sell (or procure the sale of) all the Shares referred to in his Drag Along Notice to the Proposed Buyer on the payment terms set out in the Drag Along Notice at the highest price per Majority Share proposed by the Proposed Buyer or, if higher, at which Shares have been purchased by the Proposed Buyer or any person acting in concert with the Proposed Buyer during the period of six months prior to the date of the Sale Notice and otherwise on terms no less favourable than those applicable to the sale of Shares by the Selling Shareholder.
- 12.5 Completion of the sale of the Dragged Shares shall take place on the date proposed for completion of the sale of the Majority's Shares (the **Completion Date**) unless all of the Dragged Shareholders and the Selling Shareholders agree otherwise in which case the Completion Date shall be the date agreed in writing by all of the Dragged Shareholders and the Selling Shareholders.
- 12.6 The rights of pre-emption set out in these Articles shall not apply to any transfer of Shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served.
- 12.7 Within 15 Business Days of the Company serving a Drag Along Notice on the Dragged Shareholders, the Dragged Shareholders shall deliver correctly executed stock transfer forms for the Dragged Shares, together with the relevant share certificates (or a suitable indemnity for any lost share certificates) to the Company. On the Completion Date, the Company shall pay the Dragged Shareholders, on behalf of the Proposed Buyer, the amounts they are due for their Shares on the Completion Date pursuant to Article 12.2 to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt of the price shall be a good discharge to the Proposed Buyer. The Company shall hold the amounts due to the Dragged Shareholders pursuant to Article 12.2 in trust for the Dragged Shareholders without any obligation to pay interest.
- 12.8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due in the Completion Date pursuant to Article 12.2, the Dragged Shareholders shall be entitled to the return of the stock transfer forms and share certificates (or suitable indemnity) for the relevant Dragged Shares and the Dragged Shareholders shall have no further rights or obligations under this Article 12 in respect of their Shares.
- 12.9 If any of the Shareholders or their Permitted Transferees shall fail to comply with the terms of Article 12.4 in any respect (each a **Defaulting Shareholder**):
- 12.9.1 the Company shall be constituted the agent of each Defaulting Shareholder for the sale of his Shares (together with all rights then attached to those Shares) referred to in his Drag Along Notice in accordance with that notice;

- 12.9.2 the Board may authorise a director to execute and deliver on behalf of each Defaulting Shareholder the necessary transfers;
  - 12.9.3 the Company may receive the purchase money in trust for each Defaulting Shareholder and cause the Proposed Buyer to be registered as the holder of such Shares;
  - 12.9.4 the receipt by the Company of the purchase money pursuant to those transfers shall constitute a good and valid discharge to the Proposed Buyer (who shall not be bound to see to the application of those monies);
  - 12.9.5 after the Proposed Buyer has been registered in purported exercise of the powers in this Article 12 the validity of the proceedings shall not be questioned by any person; and
  - 12.9.6 the Company shall not pay the purchase monies to a Defaulting Shareholder until he shall, in respect of the Shares subject to the Drag Along Notice, have delivered a share certificate (or a suitable indemnity in lieu) and the necessary transfers to the Company.
- 12.10 Each Dragged Shareholder shall:
- 12.10.1 pay its pro rata share (based on the aggregate proceeds to be received from such sale by the Selling Shareholders and Dragged Shareholders) of the expenses incurred by the Selling Shareholders in connection with such sale;
  - 12.10.2 grant representations and warranties in respect of identity, due authorisation, non contravention and full title guarantee and free from all Encumbrances; and
  - 12.10.3 be obligated to join on a pro rata basis (based on aggregate proceeds to be received pursuant to the sale) in any indemnification, holdback, escrow or other price deferral or conditional price mechanism, whether in respect of representations and warranties or otherwise.
- 12.11 Any sums payable pursuant to this Article 12 to the Dragged Shareholders and the Selling Shareholders shall be deemed to include an amount equal to the relevant proportions of any other consideration (in cash or otherwise) received or receivable by the holders of the Shares in question 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 specified Shares and, in the event of disagreement, the calculation of the price shall be referred to a chartered accountant or other expert (acting as an expert and not as arbitrator) nominated by the parties concerned (or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall, in the absence of fraud or manifest error, be final and binding.
- 13 DE-MINIMUS PURCHASE OF OWN SHARES**
- 13.1 Subject to the Act and with the consent of the holders of 90% of the issued Shares (which must include the Investor and the Founders) the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) pursuant to section 692 (1ZA) of the Act out of capital up to an aggregate purchase price in any financial year not exceeding the lower of:

13.1.1 £15,000; and

13.1.2 the nominal value of 5% of the Company's fully paid share capital at the beginning of each financial year of the Company.

#### **14 NOTICE OF GENERAL MEETINGS**

14.1 All general meetings of the Company shall be called by at least 14 Clear Days' notice but a general meeting may be called by shorter notice if it is so agreed, by a majority in number of the Shareholders having a right to attend and vote at the meeting.

14.2 The notice shall specify the time and place of the meeting and the general nature of the business to be transacted. If a Shareholder is not in the United Kingdom he shall still be entitled to receive notice of a general meeting if he has provided the Company with an address for service to be used whilst he is outside of the United Kingdom.

14.3 General meetings shall be held as and when required.

14.4 Subject to the provisions of the Articles and to any restrictions imposed on any Shares, the notice shall be given to all the Shareholders, to all persons entitled to a Share in consequence of the death, bankruptcy or insolvency of a member and to each of the directors and auditors (if any) of the Company.

#### **15 PROCEEDINGS AT GENERAL MEETINGS**

15.1 No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business and whilst the business of the meeting is being transacted. The quorum shall consist of not less than two Shareholders entitled to attend and to vote on the business to be transacted (which must consist of the Investor and at least one Founder each of whom is present in person or by proxy or, in the case of a corporation, by a duly authorised representative), unless the matter to be discussed at the meeting relates to the removal of a Founder as a director in which case, the quorum shall only need to consist of the Investor and whilst all of the Founders shall be entitled to receive notice of and attend the meeting, none of the Founders shall be entitled to vote on such a matter at the meeting.

15.2 If within half an hour after the time appointed for the meeting a quorum is not present, or if during a meeting a quorum ceases to be present, the meeting shall be adjourned for the same day in the next week at the same time and in the same place or as near to the same time and in the same place as is practicable.

15.3 A poll may be demanded at any general meeting by the chairman or by any Shareholder present in person or by proxy and entitled to vote.

15.4 The chairman shall not be entitled to a second or casting vote at any general meeting.

15.5 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for 10 Business Days or more, at least seven Clear Days' notice shall be given specifying the time and the place of the adjourned meeting and the

general nature of the business to be transacted. Otherwise, it shall not be necessary to give any such notice.

15.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the meeting or by any Shareholder present in person or by proxy and entitled to vote. Unless a poll be so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.

15.7 If and for so long as the Company has only one member that member present in person or by proxy or, where that member is a corporation, its duly authorised representative shall be a quorum at any general or class meeting of the Company. Model Article 38 shall be modified accordingly.

## 16 GENERAL MEETING ON MEMBERS' REQUISITION

16.1 In addition to any relevant provisions of the Act, the Board shall forthwith proceed to convene a general meeting of the Company on the requisition of holders of not less than 50% in nominal value of the Shares in issue at the date of deposit of the requisition, such meeting to be convened for such date as is specified in the requisition or as soon thereafter as the Act permits.

16.2 The requisition must state the objects of the meeting, and must be signed by or on behalf of the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by or on behalf of one or more requisitionists.

16.3 If the Board does not within seven days from the date of deposit of the requisition proceed to convene a meeting in accordance with this Article 16, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.

16.4 A meeting convened under this Article by requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

16.5 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to convene a meeting in accordance with this Article shall be repaid to the requisitionists by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such of the directors as were in default.

## 17 PROXIES

17.1 Model Article 45(1)(d) shall be deleted and replaced with the words *"is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in*

*accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".*

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

## 18 DIRECTORS: NUMBER AND APPOINTMENT OF DIRECTORS

- 18.1 Unless determined otherwise by a special resolution of the Company, the number of directors (other than alternate directors) shall be subject to a maximum of three if there is one Investor Director (with two votes) or four if there are two Investor Directors (with one vote each), provided that if at any time there are insufficient directors appointed to make up a quorum:

18.1.1 if there is only one director he may call a general meeting to appoint sufficient directors to make up a quorum; and

18.1.2 if there is more than one director:

- (a) a Board meeting may take place, if it is called in accordance with these Articles and at least two directors participate in it, with a view to calling a general meeting to appoint sufficient directors to make up a quorum; and
- (b) if a Board meeting is called but only one director attends at the appointed date and time to participate in it, that director may call a general meeting to appoint sufficient directors to make up a quorum.

- 18.2 No shareholding qualification for directors or alternate directors shall be required, but nevertheless they shall be entitled to attend and speak at any general meeting of the Company.

- 18.3 Article 17(1) shall be amended by the insertion, at the end of that article, of the words "*provided that the appointment does not cause the number of directors in office for the time being (excluding alternate directors who are not also directors) to exceed any maximum number fixed or otherwise determined in accordance with these articles*".

- 18.4 A person may be appointed a director notwithstanding that he shall have attained the age of 70 years and no director shall be liable to vacate office by reason of his attaining that or any other age.

- 18.5 In any case where, as a result of death, bankruptcy or insolvency, the Company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

- 18.6 If the numbers of votes for and against a proposal at a Board meeting are equal, the chairman of the meeting shall not have a casting vote.

- 18.7 Any appointment or removal of a director pursuant to the Subscription and Shareholders' Agreement shall be in writing and signed by or on behalf of the relevant Founder or the Investor (as the case may be) and served on the Company at its registered office and on the director, in the case of his or her removal. Any such appointment or removal shall take effect when received by the Company or at such later time as shall be specified in such notice.

## 19 **ALTERNATE DIRECTORS**

- 19.1 Each director (other than an alternate director) shall have the power at any time to appoint as an alternate director either another director or any other person approved for that purpose by a resolution of the Board (such approval not to be unreasonably withheld) and, at any time, to terminate such appointment. Every appointment and removal of an alternate director shall be in writing signed by the appointor and (subject to any approval required) shall (unless all the directors agree otherwise) only take effect upon receipt of such written appointment or removal at the registered office of the Company.
- 19.2 An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, but shall otherwise be subject to the provisions of these Articles with respect to directors. An alternate director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.
- 19.3 An alternate director shall (subject to his giving to the Company an address at which notice may be served upon him) be entitled to receive notices of all Board meetings and of any committee of the directors of which his appointor is a member and to attend and to vote as a director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties of his appointor as a director and to receive notice of all general meetings.
- 19.4 The appointment of an alternate director shall automatically determine on the happening of any event which if he were a director would cause him to vacate such office or if his appointor shall cease for any reason to be a director.
- 19.5 A director or any other person may act as alternate director to represent more than one director and an alternate director shall be entitled at Board meetings or of any committee of the Board to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

## 20 **REMUNERATION OF DIRECTORS**

Each of the directors shall be entitled to fees for his services at such rate as may from time to time be determined by the Board or by a committee authorised by the Board. Each of the directors shall also be entitled to be repaid by the Company all such reasonable expenses (including travelling, hotel and incidental expenses) as they may incur in attending Board meetings or of committees of the Board or general meetings, or separate meetings of the holders of any class of shares or which they may otherwise properly incur in or about the business of the Company.



21 **DIRECTORS' EXPENSES**

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

22 **POWERS OF DIRECTORS**

The Board may (by establishment or maintenance of schemes or otherwise) pay or procure the payment of pensions, annuities, allowances, gratuities and superannuation or other benefits to or for the benefit of past or present directors or employees who are or were at any time employed by or in the service of the Company or held any place of profit with the Company or any company associated with, or any business acquired by, any of them or to or for the benefit of persons who are or were related to or dependants of any such directors or employees and may make contributions to any fund and pay premiums for the purchase or payment of any such pension, annuity, allowance, gratuity, superannuation or other benefit or make payments for or towards the insurance of any such person.

23 **PROCEEDINGS OF THE DIRECTORS**

23.1 The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

23.2 A Board meeting at which a quorum is present shall be competent to exercise all powers, authorities and discretions for the time being vested in or exercisable by the Board. Questions arising at any meeting shall be determined by a majority of votes of those eligible directors provided that for any resolution to be validly passed it must include a vote in favour of such resolution from at least one Investor Director (which must include the Principal Investor Director if so appointed) and (provided that at least one Founder Director is an eligible director) at least one Founder Director.

23.3 A director may, and the secretary (if any) on the requisition of a director shall, call a meeting of the Board. Notice of any meeting of the Board shall be in writing and shall be given to all directors, whether within or outside the UK, at the address specified by such directors for the service of such notice, not less than seven days before the proposed date of the meeting. A director may waive notice of any meeting either before or after the meeting.

23.4 The quorum necessary for the transaction of business of the Board shall be any two eligible directors which must include at least one Founder Director (provided that at least one Founder Director is an eligible director) and the Principal Investor Director provided that:

23.4.1 if a quorum is not present or ceases to be present, the meeting shall be adjourned to the same day in the next week at the same time and place; and

23.4.2 for the purposes of any meeting (or part of a meeting) held pursuant to Article 25 to authorise a director's conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

23.5 Any or all of the directors shall be entitled to take part in a meeting of the Board by way of a conference telephone, skype or similar equipment that allows all persons participating in the meeting to hear and speak to each other. Each director taking part in this way shall be counted as being present at the meeting. Meetings shall be treated as taking place where

most of the participants are or, if there is no such place, where the chairman of the meeting is.

- 23.6 For the avoidance of doubt, in the case of a corporation which is a director, a duly authorised representative may attend any meeting of the Board, or of a committee or sub-committee of the Board, and count towards any quorum and exercise all powers on behalf of such a director.
- 23.7 All acts done by any meeting of the Board, or of a committee or sub-committee of the Board, or by any person acting as a director or by an alternate director shall, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any director, alternate director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.
- 23.8 Subject to Article 23.9, a resolution in writing agreed to the eligible directors being entitled to vote at a meeting of the directors or of a committee of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) at a committee of the directors duly convened and held. For this purpose:
- 23.8.1 a director signifies his agreement to a proposed written resolution when the Company receives from him a document indicating his agreement to the resolution authenticated in the manner permitted by the Companies Act for a document in the relevant form;
- 23.8.2 the director may send the document in hard copy form or in electronic form to such address (if any) for the time being specified by the Company for that purpose, or in default of such specification to the office;
- 23.8.3 if an alternate director signifies his agreement to the proposed written resolution his appointor need not also signify his agreement;
- 23.8.4 if a director signifies his agreement to the proposed written resolution an alternate director appointed by him need not also signify his agreement in that capacity.
- 23.9 At a meeting of the directors or in respect of any written resolution of the directors:
- 23.9.1 if there is one Investor Director, such director shall have two votes and if there are two Investor Directors, each such director shall have one vote each; and
- 23.9.2 each other director shall have one vote each.

## 24 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

24.1 Subject to Article 25.8 and sections 177(5), 177(6), 182(5) and 182(6) of the Act and provided he 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:

- 24.1.1 may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 24.1.2 shall be an eligible director for the purposes of any proposed decision of the Board (or committee of the Board) in respect of such contract or proposed contract in which he is interested;
- 24.1.3 shall be entitled to vote at a meeting of the Board (or of a committee of the Board) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested;
- 24.1.4 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
- 24.1.5 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.

## 25 DIRECTORS' INTERESTS

25.1 Subject to Article 25.8, for the purposes of section 175 of the Act, the Board shall have the power to authorise, on such terms and subject to such conditions as they may determine (a **Conflict Authorisation**) any matter proposed to them in accordance with these Articles which otherwise might give rise to a situation (a **Conflict Situation**) in which a director (an **Interested Director**) would have a direct or indirect interest which conflicts, or may conflict, with the interests of the Company (including in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it). Any Conflict Authorisation shall extend to any actual or possible conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised.

25.2 Where the Board give a Conflict Authorisation:

- 25.2.1 it shall be recorded in writing (but the authorisation shall be effective whether or not it is recorded); and
- 25.2.2 the Board may revoke or vary the authority at any time but this will not affect anything done by the Interested Director in accordance with the authorisation before the revocation or variation.

- 25.3 A Conflict Authorisation will be only effective if:
- 25.3.1 at the meeting of the Board at which the Conflict Situation is considered, any requirement as to quorum is met without counting the Interested Director; and
  - 25.3.2 it is agreed to without any Interested Director voting, or would have been agreed to if the votes of any Interested Director had not been counted.
- 25.4 Subject to Article 25.3 and the provisions of the Act, any matter proposed to the Board and any authorisation by the Board in relation to a Conflict Situation shall be dealt with in the same way as any other matter may be proposed to and resolved upon by the Board.
- 25.5 For the purposes of Article 25.1, a conflict of interest includes a conflict of interest and duty and/or a conflict of duties.
- 25.6 An Interested Director shall be obliged:
- 25.6.1 to disclose to the other directors, as soon as reasonably practicable, the nature and extent of his interest in any Conflict Situation; and
  - 25.6.2 to act in accordance with any conditions determined by the Board under Article 25.1.
- 25.7 Any conditions to which a Conflict Authorisation is made subject (**Conflict Authorisation Terms**) may include (without limitation to Article 25.1) provision that:
- 25.7.1 where the Interested Director obtains (other than in his capacity as a director or as its employee or agent or, if the Board so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) information that is confidential to a third party, he will not be obliged to disclose it to the Company or to use it directly or indirectly for the benefit of the Company or in performing his duties as a director in circumstances where to do so would amount to a breach of a duty of confidence owed to that third party;
  - 25.7.2 the Interested Director may (but shall be under no obligation to) absent himself from the discussion of, or the making of decisions relating to, the relevant matter (whether at any meeting of the Board or otherwise) and be excused from reviewing documents and information prepared by or for the Board to the extent that they relate to that matter; and
  - 25.7.3 the Interested Director be excluded from the receipt of documents and information, the participation in discussion or the making of decisions (whether at Board meetings or otherwise) related to the relevant matter,
- and anything done (or omitted to be done) by the Interested Director in accordance with any such provision (or otherwise in accordance with any Conflict Authorisation Terms given under Article 25.1) will not constitute a breach by him of his duties under sections 172 to 174 of the Act.
- 25.8 If an Employee Shareholder is a director, no Conflict Authorisation may be given in relation to him and, in any event no Employee Shareholder or any family relation (including any sibling), shall be an eligible director or otherwise entitled to vote or count in any quorum at

any meeting of the Board or otherwise participate in any decision making process, which relates to:

25.8.1 his or any family relation (including any sibling) of his proposed dismissal, termination or removal as an employee or from his engagement in any other role in respect of the Company; and/or

25.8.2 any decision or determination by the Board:

(a) to serve a Leaver Call Notice and/or

(b) that such Employee Shareholder should be a Good Leaver, in circumstances when they would otherwise be a Bad Leaver.

## **26 NOTICES**

26.1 A notice may be given:

26.1.1 by the Company to any Shareholder or director either personally or by sending it by first class post (airmail if abroad) or means of electronic communications to him or to his registered address or to the address supplied by him to the Company for the giving of notice to him; or

26.1.2 to the Company for the purpose of these Articles by like method at its registered office for the time being.

26.2 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected at the expiration of 48 hours after the letter containing the same is posted. A notice contained in an electronic communication shall be deemed to be effected at the time the electronic communication was sent.

26.3 Every director and every alternate director shall, upon supplying the Company with an address for the giving of notices, be entitled to receive notices of general meetings, provided always that non-receipt of any such notice by any director or alternate director shall not invalidate the proceedings at the meeting convened by such notice.

## **27 INDEMNITY AND INSURANCE**

27.1 Subject to the provisions of the Act, but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every director or other officer of the Company (other than any person, whether an officer or not, engaged by the Company as auditor) will be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company, including any liability incurred by him in defending any proceedings in relation thereto but this Article shall be deemed not to provide for, or entitle any such person to, indemnification to the extent that it would cause this Article, or any element of it, to be treated as void under the Act.

27.2 Without prejudice to the provisions of Article 27.1 the Board shall have power to purchase and maintain for or for the benefit of any such persons as are indemnified or entitled to

indemnification under that Article insurance against any losses or liabilities to which that Article applies.

## DATA PROTECTION

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