

RUNTIME REVOLUTION LIMITED

ARTICLES OF ASSOCIATION

Adopted

2011

SC 200723

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THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

RUNTIME REVOLUTION LIMITED

(Adopted by special resolution passed on 31-000000 - 2011)

INTRODUCTION

1. Interpretation

1.1 In these Articles, unless expressly provided otherwise, the following words have the following meanings:

"Act"; the Companies Act 2006;

"Adoption Date"; the date of adoption of these Articles;

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

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

"Business Day"; any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business;

"Companies Acts"; has the meaning given to it in the Act;

"Company"; means Runtime Revolution Limited (Company number SC200728);

"connected"; has the meaning given in section 252 of the Act;

"Directors"; the directors of the Company from time to time;

"Eligible Director"; means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter);

"Group"; the Company and its subsidiaries (if any) from time to time and **Group Company** shall be construed accordingly;

"holding company"; has the meaning given in section 1159 of the Act;

"Model Articles"; the model articles for private companies limited by shares contained in Schedule 1 to The Companies (Model Articles) Regulations 2008 (SI 2008/3229), as amended prior to the Adoption Date;

"Ordinary Shares"; the ordinary shares of £0.10 each in the capital of the Company;

"Relevant Securities"; any Shares or other securities convertible into, or carrying the right to subscribe for Shares, issued by the Company after the Adoption Date;

"Shareholder"; a holder for the time being of any Share or Shares;

"Shares"; shares (of any class) in the capital of the Company and **Share** shall be construed accordingly;

"subsidiary"; in relation to a holding company wherever incorporated, means a "subsidiary" (as defined in section 1159 of the Act) for the time being and any other company which for the time being is itself a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company;

1.2 A reference in these Articles to:

1.2.1 an **Article** is a reference to the relevant numbered article of these Articles; and

1.2.2 a **model article** is a reference to the relevant article,

unless expressly provided otherwise.

1.3 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles (but excluding any statutory modification of them not in force on the Adoption Date).

1.4 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

1.5 In these Articles, words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

1.6 Unless expressly provided otherwise, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of:

1.6.1 any subordinate legislation from time to time made under it; and

1.6.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.

2. Adoption of the Model Articles

2.1 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by these Articles or are inconsistent with these Articles, and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

2.2 Model articles 7, 8, 11(2) and (3), 14(1) to (4) (inclusive), 26(5), 52 and 53 shall not apply to the Company.

2.3 In model article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".

DIRECTORS

3. Number of directors

3.1 Unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

4. Proceedings of directors

4.1 Any decision of the Directors must be taken at a meeting of Directors in accordance with these Articles or must be a decision taken in accordance with *article 4.2* (subject to *article 4.3* and

article 4.4). All decisions made at any meeting of the Directors (or any committee of the Directors) shall be made only by resolution and resolutions at any meeting of the Directors (or committee of the Directors) shall be decided by a majority of votes.

- 4.2 A unanimous decision of the Directors is taken when all Eligible Directors indicate to each other by any means that they share a common view on a matter.
- 4.3 A decision taken in accordance with *article 4.2* may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing.
- 4.4 A decision may not be taken in accordance with *article 4.2* if the Eligible Directors would not have formed a quorum at a Directors' meeting to vote on the matter in accordance with *article 4.5*.
- 4.5 The quorum for any meeting (or, where specified below, part of a meeting) of the Directors shall be two Eligible Directors. If the necessary quorum is not present within 30 minutes from the time appointed for the meeting, or if, during a meeting, such quorum ceases to be present, the meeting shall stand adjourned to such time and place as the Directors determine. If a quorum is not present at any such adjourned meeting within 30 minutes from the time appointed, then the meeting shall proceed.
- 4.6 For the purposes of any meeting (or part of a meeting) held pursuant to article 6 to authorise a Conflict (as defined in article 6.1), 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.
- 4.7 If the number of Directors in office for the time being is less than two, the Director in office must not take any decision other than a decision to:
 - 4.7.1 appoint further Directors; or
 - 4.7.2 call a general meeting so as to enable the Shareholders to appoint further Directors.
- 4.8 Questions arising at any meeting of the Directors shall be decided by a majority of votes. If there is an equality of votes, the chairman of the meeting shall have a second or casting vote.

5. Transactions or other arrangements with the Company

- 5.1 Subject to sections 177(5) and 177(6) and sections 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 Companies Acts, a Director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
 - 5.1.1 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;
 - 5.1.2 shall be an Eligible Director for the purposes of any proposed decision of the Directors (or committee of the Directors) in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 5.1.3 shall be entitled to vote at a meeting of Directors (or of a committee of the Directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
 - 5.1.4 may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;

- 5.1.5 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
- 5.1.6 shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such 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.

6. Directors' conflicts

- 6.1 The Directors may, in accordance with the requirements set out in this *article* 6, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).
- 6.2 Any authorisation under this *article* 6 will be effective only if:
- 6.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any Director for consideration in the same way that any other matter may be proposed to the Directors under the provisions of these Articles or in such other manner as the Directors may determine;
- 6.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
- 6.2.3 the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 6.3 Any authorisation of a Conflict under this *article* 6 may (whether at the time of giving the authorisation or subsequently):
- 6.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- 6.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the Directors or otherwise) related to the Conflict;
- 6.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the Directors in relation to any resolution related to the Conflict;
- 6.3.4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the Directors think fit;
- 6.3.5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a Director of the Company) information that is confidential to a third party, he will not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 6.3.6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the Directors and be excused from reviewing papers prepared by, or for, the Directors to the extent they relate to such matters.

- 6.4 Where the Directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the Directors in relation to the Conflict.
- 6.5 The Directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation.
- 6.6 A Director is not required, by reason of being a Director (or because of the fiduciary relationship established by reason of being a Director), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors in accordance with these Articles or by the Company in general meeting (subject in each case to any terms and conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 7. Secretary**
- 7.1 The Directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the Directors so decide, appoint a replacement, in each case by a decision of the Directors.

SHARES AND DISTRIBUTIONS

8. Dividends

- 8.1 Any profits which the Company may determine to distribute in respect of any financial period of the Company shall be distributed amongst the holders of the Ordinary Shares pro rata to their holdings of Ordinary Shares.

9. Capital

- 9.1 On a return of assets on liquidation, capital reduction or otherwise (other than a conversion or purchase of Shares), the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of the Ordinary Shares pro rata to the number of Ordinary Shares held.

10. Pre-emption rights on the issue of further shares

- 10.1 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of equity securities (as defined in section 560(1) of the Act) made by the Company.
- 10.2 Subject to article 10.7, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to the holders (on the date of the offer) of the Ordinary Shares (each an **Offeree**) on a pari passu basis (and in the respective proportions that the number of Ordinary Shares held by each such holder bears to the total number of Ordinary Shares held by all such holders (as nearly as possible without involving fractions) and on the same terms, and at the same price, as those Relevant Securities are being, or are to be, offered to any other person.
- 10.3 An offer made under *article 10.2* shall:
- 10.3.1 be in writing (which shall include electronic mail) and give details of the number, class and subscription price (including any share premium) of the Relevant Securities being offered;
- 10.3.2 remain open for a period of 15 Business Days from the date of service of the offer; and

- 10.3.3 stipulate that any Offeree who wishes to subscribe for a number of Relevant Securities in excess of the number to which he is entitled under *article 10.2* shall, in his acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which he wishes to subscribe.
- 10.4 If, on the expiry of an offer made in accordance with *article 10.2*, the total number of Relevant Securities applied for is less than the total number of Relevant Securities so offered, the Directors shall allot the Relevant Securities to the Offerees in accordance with their applications, subject to a maximum of each Offeree's proportionate entitlement.
- 10.5 Any Relevant Securities not accepted by Offerees pursuant to an offer made in accordance with *article 10.2* shall be used to satisfy any requests for Excess Securities made pursuant to *article 10.3.3*. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants in the respective proportions that the number of Ordinary Shares held by each such applicant bears to the total number of such Ordinary Shares held by all applicants (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him).
- 10.6 If, after completion of the allotments referred to in *article 10.4* and *article 10.5*, not all of the Relevant Securities have been allotted, the balance of such Relevant Securities shall be offered to any other person(s) as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.
- 10.7 The Directors shall be entitled to allot Relevant Securities to such persons as they, in their absolute discretion, see fit (and as if articles 10.2 to 10.6 did not apply to such allotment) provided that the issued share capital of the company does not exceed 60,000 ordinary shares.

11. Transfers of shares: general

- 11.1 In these Articles, reference to the transfer of a Share includes the transfer, assignment or other disposal of a beneficial or other interest in that Share, or the creation of a trust or encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share.
- 11.2 No Share shall be transferred, and the Directors shall refuse to register a transfer of any Share, unless it is made in accordance with these Articles. The Directors shall register any duly stamped transfer made in accordance with these Articles, unless they suspect that the proposed transfer may be fraudulent.
- 11.3 The Directors may, in their absolute discretion, refuse to register a transfer of any Share without ascribing any reason to their decision.

12. Drag along

- 12.1 If at any time the holders of a majority of the Ordinary Shares in issue for the time being (the **Selling Shareholders**) wish to transfer all of their interest in Ordinary Shares (**Sellers' Shares**) to a bona fide arm's-length purchaser, not being a person or company connected with the Selling Shareholders, (**Proposed Buyer**), the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Ordinary Shares on the date of the request (**Called Shareholders**) to sell and transfer all their interest in Ordinary Shares with full title guarantee to the Proposed Buyer (or as the Proposed Buyer may direct) for the same consideration as is payable to the Selling Shareholders, in accordance with the provisions of this article 12.
- 12.2 The Selling Shareholders may exercise the Drag Along Option by giving notice in writing to the Called Shareholders to that effect (a **Drag Along Notice**), at any time before the completion of the transfer of Shares by the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (**Called Shares**) pursuant to this

article 12, the identity of the Proposed Buyer, the consideration payable for the Called Shares and the proposed date of transfer and shall require the Called Shareholders to deliver a share certificate or certificates in respect of the Called Shares together with a duly executed stock transfer form.

- 12.3 A Drag Along Notice, once served, shall be irrevocable but the Drag Along Notice and all obligations under it shall lapse if the Selling Shareholders do not, for any reason, complete the transfer their Shares to the Proposed Buyer (or as the Proposed Buyer shall direct) within 60 days after the date of the Drag Along Notice.
- 12.4 Completion of the sale and purchase of the Called Shares shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares.
- 12.5 If any Called Shareholder shall default in transferring their Shares pursuant to this article 12 then the directors may appoint any person to be his agent and attorney to execute and deliver all necessary transfers on his behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares.
- 12.6 The provisions of this article 12 shall also apply to any Shares acquired on the exercise of any option within 90 days of the date of completion of the sale by the Selling Shareholders to the Proposed Buyer and the option holder may be required to transfer such shares within 14 days of allotment and in default article 12.5 shall apply.

DECISION-MAKING BY SHAREHOLDERS

13. Voting

- 13.1 Subject to any other provisions in these Articles concerning voting rights, each Share in the Company shall carry the right to receive notice of and to attend, speak and vote at all general meetings of the Company.
- 13.2 Model article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that model article.
- 13.3 Model article 45(1) shall be amended by:
 - 13.3.1 the deletion of model article 45(1)(d) and its replacement 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"; and
 - 13.3.2 the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that model article.

ADMINISTRATIVE ARRANGEMENTS

14. Notices

- 14.1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
 - 14.1.1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and

the sending party receives a confirmation of delivery from the courier service provider));

- 14.1.2 if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 14.1.3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 14.1.4 if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this *article* 14.1, no account shall be taken of any part of a day that is not a working day.

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

15. Indemnity and insurance

- 15.1 Subject to *article* 15.2, but without prejudice to any indemnity to which a Relevant Officer is otherwise entitled:

- 15.1.1 each Relevant Officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a Relevant Officer in the actual or purported execution and/or discharge of his duties, or in relation thereto including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted, or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part, or in connection with any application in which the court grants him, in his capacity as a Relevant Officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or other Group Company's) affairs; and

- 15.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in *article* 15.1 and otherwise may take any action to enable such Relevant Officer to avoid incurring such expenditure.

- 15.2 This *article* 15 does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

- 15.3 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any Relevant Loss.

- 15.4 In this *article* 15:

- 15.4.1 **Relevant Loss** means any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company (or other Group Company); and

- 15.4.2 **Relevant Officer** means any director or other officer or former director or other officer of any Group Company.

Appendix 1

Comparison between current constitutional documents and proposed new articles of association

	Existing articles/shareholders' agreement	Proposed new articles
Default articles	The existing articles adopted default articles known as "Table A" after Table A in the Schedule to the Companies Act (Tables A to F) Regulations 1985. These "default articles" apply wherever the company's own articles of association do not conflict with them or do not specifically cover the matter in question.	The new articles adopt the "Model Articles" found in Schedule 1 to the Companies (Model Articles) Regulations 2008. These Model Articles were introduced as part of the overhaul of UK company law under the Companies Act 2006. They are essentially an updated and modernised version of Table A and are designed to better reflect the way that modern private companies operate.
Directors	Under the existing articles, the minimum number of directors was 2 and the quorum for directors meetings was also 2, one of whom must be Kevin Miller (KM). In the event of a deadlocked board meeting, KM had a casting vote.	The minimum number of directors under the new articles is also 2. The quorum for board meetings remains at 2, but KM need not be present. The casting vote on a deadlocked matter now goes to the chairman of the meeting rather than KM personally.
Directors' interests and conflicts	The current articles allowed a director to vote in respect of a matter in which he had a personal interest, provided that he had declared his interest to the board beforehand.	The new articles in effect repeat this provision, albeit in an expanded form to reflect the law on directors' conflicts under the 2006 Act. That Act also introduced the concept of "situational conflicts" whereby a director may not be interested in a particular transaction with the company, but may have a more general conflict of interest, for example via a shareholding in another company. These situational conflicts can be approved by the board, and article 6 of the new articles allows them to do so. The approval must be given by "Eligible Directors" i.e. directors who are entitled to vote and excluding the interested director. If there is only one Eligible Director, then he or she will constitute the quorum for the meeting.

Issue of new shares	Under the existing articles, any new shares to be issued must first be offered to the existing shareholders in proportion to their shareholdings. The shareholders had 21 days to respond and could elect to apply for additional shares.	The new articles allow the directors to issue shares with a nominal value of up to £6,000 without first offering them to the shareholders. Once those shares have been issued, any further share issues will be subject to pre-emption in favour of the existing shareholders on a similar basis to the current articles.
Share transfers	<p>The existing articles contain pre-emption rights on the transfer of shares. This requires any person wishing to transfer shares to serve a transfer notice on the company. The company then offers the shares to the existing shareholders at their fair value, as agreed between the transferor and the directors or as determined by an independent accountant. The articles also required any person who ceases to be an employee or director of the company to serve a transfer notice in respect of their shares. The same applied if a shareholder died or was made bankrupt.</p> <p>The shareholders agreement contains a statement that a transfer to any person who is a competitor to or hostile to the company could be rejected.</p>	The new articles do not contain any pre-emption rights on transfer of shares. Instead the directors have a simple discretion to refuse to register a transfer. There are also no compulsory transfer provisions, so shareholders who cease to be employed by the company, or who die or become bankrupt, will not be required to offer their shares for sale.
Sale of the Company	The shareholders agreement contains a statement that if the holders of a majority of the shares wish to sell the company, the remaining shareholders will also sell their shares. There is some doubt as to whether this would be enforceable against a shareholder reluctant to sell.	Article 12 of the new article is a Drag-Along article. This allows the holders of a majority of the shares, who wish to sell their shares, to compel the remaining shareholder to sell to the same buyer at the same price.