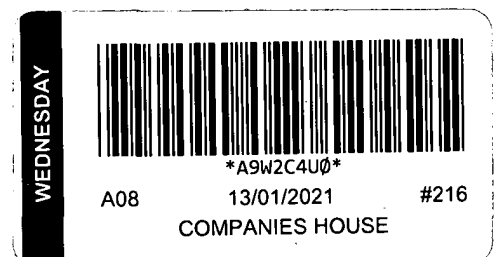


THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
NEW
ARTICLES OF ASSOCIATION
of
SOUNDCLOUD LIMITED

(Adopted by a special resolution passed on 30 December 2020)



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(Adopted by a written resolution passed on 30 December 2020)

1. Introduction

- 1.1. The Company's business purpose is to be a holding company. For the avoidance of doubt, this does not in any way restrict the Company's objects.
- 1.2. The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the Date of Adoption (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 Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) and any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- 1.3. Model Articles 13, 14, 16, 17(1), 44(2)(b) and (c), 49, 50, 51, 52 and 53 shall not apply to the Company.
- 1.4. Model Article 11(2) shall be amended by the replacement of the words "never less than two, and unless otherwise fixed it is two" with "never less than one, and unless otherwise fixed it is one".
- 1.5. Model Article 20 shall be amended by the insertion of the words "including the secretary" before the words "properly incur".
- 1.6. Model Article 29 shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under Model Article 28(2)," after the words "the transmittee's name".
- 1.7. In these Articles:
 - (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles; and
 - (b) words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa.

2. Definitions

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

"**A Ordinary Shares**" means the non-voting A ordinary shares of €0.01 in the capital of the Company, or any one or more of them;

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

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

"Affiliated Party" or **"Affiliated Parties"** shall mean with respect to any person (i), any person or entity which, directly or indirectly, controls, is controlled by or is under common control with such first person including, without limitation, any general partner, officer, director or nominee of such first person and (ii) any venture capital fund now or hereafter existing which is controlled by any company which is under common control with such first person, one or more general partners of, or shares the same management company, general partner or nominee as, such first person, and (iii) the participants of any pooled investment fund or co-investment scheme organised, managed or directed by such first person or any company which is under common control with such first person for the benefit of its partners, officers or employees or their dependants and in relation to any such persons any trustee or nominee for, or a successor by reorganisation of, a family trust or a qualified pension trust;

"Arrears" means in relation to any Share, all arrears of any dividend or other sums payable in respect of that Share, and irrespective of whether or not the Company has had at any time sufficient Available Profits to pay any dividend or sums, together with all interest and other amounts payable on that Share;

"Asset Sale" means the disposal or transfer by the Company of all or substantially all of its undertaking and assets and shall include, without limitation, an exclusive irrevocable licensing of all or substantially all of its intellectual property to a third party;

"Associate" in relation to any person means:

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

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

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

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

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

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

"Company" means Soundcloud Limited;

"Controlling Interest" means an interest in shares giving to the holder or holders control of the Company within the meaning of sections 450 and 1124 of CTA;

"Conversion Date" has the meaning given in Article 8.1;

"CTA" means the Corporation Tax Act 2010;

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

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

"Employee" means an individual who is employed by the Company or any member of the Group;

"Employee Shares" in relation to an Employee means all Ordinary Shares in the Company held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee, other than those Ordinary Shares held by those persons that the Majority Member declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of his, her or its relationship with the Employee;

"Equity Securities" has the meaning given to it in Section 560 of the Act;

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

"Expert Valuer" has the meaning given to it in Article 15.1(a);

"Fair Value" is as determined in accordance with Article 15.3;

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

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

"Holding Company" means any newly formed company or vehicle (including, without limitation, a Cayman Islands limited liability corporation or other exempted company or exempted limited partnership) in which the economic rights of each Shareholder are or are to be held in the same proportions as their shares in the Company in all material respects and the economic rights of the classes of shares or membership interests in the Holding Company are or are to be the same, and are or are to be held in the same proportions, in each case in all material respects as those of the classes of shares in the Company;

"Investment Fund" means a fund, partnership, company, syndicate or other entity whose business is managed by a person whose principal business is to make, manage or advise upon investments;

"Investor Director" means a director of the Company nominated by a shareholder of the Majority Member;

"IPO" means the admission of all or any of the Shares or securities representing those shares (including without limitation American depositary receipts, American depositary shares and/or other

instruments) to or the grant of permission by any like authority for the same to be traded or quoted on Nasdaq or on the Official List of the United Kingdom Listing Authority or on the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

"ITEPA" means Income Tax (Earnings and Pensions) Act 2003 (as amended from time to time);

"Majority Member" means (a) any member holding, or any members holding in aggregate, a majority in nominal value of the issued share capital for the time being of the Company which carries the right to attend and vote at general meetings of the Company or (b) any undertaking that is a Parent Undertaking of the Company;

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

"Nasdaq" means the Nasdaq National Market of the Nasdaq OMX Group Inc.;

"Ordinary Shares" means the ordinary shares of €0.01 in the capital of the Company, or any one or more of them;

"Permitted Transfer" means a transfer of Shares in accordance with Article 13;

"Permitted Transferee" means:

- (a) in relation to a Shareholder who is an individual, any of his, her or its Privileged Relations or Trustees or, with the prior written consent of a majority of the serving directors from time to time, to a Permitted Transferee Company of such Shareholder;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161 of the Act), any Member of the same Group; and
- (c) in relation to a Shareholder which is an Investment Fund, any Affiliated Party;

"Permitted Transferee Company" means, in respect of a Shareholder who is an individual, a privately held company which is wholly owned and exclusively controlled by such Shareholder at all times after the Date of Adoption;

"Preference Amount" means €3.6855 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each Series A Share held, €10.25 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each Series B Share held, €70.8288 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each Series C Share held and \$159.35 per share together with a sum equal to any Arrears, any dividends accrued down to the relevant date of payment in respect of each Series D Share held and \$132.9261 per share together with a sum equal to any Arrears and any dividends accrued down to the relevant date of payment in respect of each Series E Share held in each case as adjusted for any stock splits or combinations or anti-dilution adjustments;

"Preference Shares" means the Series A Shares, the Series B Shares, the Series C Shares, the Series C-1 Shares, the Series D Shares and the Series E Shares or any one or more of them as the context requires;

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

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

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

"Sale Shares" has the meaning set out in Article 14.2(a);

"Seller" has the meaning set out in Article 14.2;

"Series A Majority" means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series A Shares in issue for the time being;

"Series A Shares" means the series A convertible preferred shares of €0.01 each in the capital of the Company;

"Series A Shareholders" means the holders of the Series A Shares;

"Series B Majority" means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series B Shares in issue for the time being;

"Series B Shares" means the series B convertible preferred shares of €0.01 each in the capital of the Company, or any one or more of them;

"Series B Shareholders" means the holders of the Series B Shares;

"Series C Majority" means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series C Shares in issue for the time being;

"Series C Shares" means the series C convertible preferred shares of €0.01 each in the capital of the Company;

"Series C Shareholders" means the holders of the Series C Shares;

"Series C-1 Majority" means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series C-1 Shares in issue for the time being;

"Series C-1 Shares" means the series C-1 convertible preferred shares of €0.01 each in the capital of the Company;

"Series D Majority" means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series D Shares in issue for the time being;

"Series D Shares" means the series D convertible preferred shares of €0.01 each in the capital of the Company;

"Series D Shareholders" means the holders of the Series D Shares;

Series E Majority means those Shareholder(s) who together hold not less than sixty-five percent (65%) of the Series E Shares in issue for the time being;

"Series E Shares" means the series E convertible preferred shares of €0.01 each in the capital of the Company;

"Series E Shareholders" means the holders of the Series E Shares;

"Shareholder" means any holder of any Shares;

"Shares" means the A Ordinary Shares, the Ordinary Shares, the Series A Shares, the Series B Shares, the Series C Shares, the Series C-1 Shares, the Series D Shares and the Series E Shares in issue and outstanding from time to time;

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

"Subsidiary", "Subsidiary Undertaking" and "Parent Undertaking" have the meanings set out in the Act;

"Transfer Notice" shall have the meaning given in Article 14.2;

"Transfer Price" shall have the meaning given in Article 14.2(c);

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

"Voting Equity Shares" means the Shares other than the A Ordinary Shares.

3. Share capital

3.1. In these Articles:

- (a) unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue;
- (b) the A Ordinary Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies);
- (c) the Ordinary Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies);
- (d) the Series B Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies);
- (e) the Series C Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies);

- (f) the Series C-1 Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies);
- (g) the Series D Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies); and
- (h) the Series E Shares in issue from time to time have identical rights and are subject to identical obligations and together constitute a single class of shares (notwithstanding that they may be denominated in different currencies).

3.2. Except as otherwise provided in these Articles, the Series A Shares, Series B Shares, Series C Shares, Series C-1 Shares, Series D Shares, Series E Shares, A Ordinary Shares and Ordinary Shares shall rank *pari passu* in all respects but shall constitute separate classes of shares.

3.3. Subject to the Act, the Company may purchase its own Shares with cash to the extent permitted by section 692(1ZA) of the Act and may subdivide or consolidate its share capital.

4. Dividends

Any dividends shall be paid *pari passu* to the holders of Preference Shares, A Ordinary Shares and Ordinary Shares *pro rata* to their respective holdings of Shares.

5. Liquidation preference

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

- (a) first, in paying to each of the Series E Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount (provided that if there are insufficient surplus assets to pay such amounts, the remaining surplus assets shall be distributed to the Series E Shareholders *pro rata* to the aggregate amounts otherwise due to them under this Article 5(a));
- (b) second, in paying to each of the Series A Shareholders, Series B Shareholders, Series C Shareholders and Series D Shareholders, in priority to any other classes of Shares, an amount per share held equal to the Preference Amount plus any Arrears (provided that if there are insufficient surplus assets to pay such amounts, the remaining surplus assets shall be distributed to the Series A Shareholders, Series B Shareholders, Series C Shareholders and Series D Shareholders *pro rata* to the aggregate amounts otherwise due to them under this Article 5(b)); and
- (c) the balance of the surplus assets shall be distributed among the holders of the Series C-1 Shares, A Ordinary Shares and the Ordinary Shares *pro rata* to the number of Series C-1 Shares, A Ordinary Shares or Ordinary Shares held, respectively.

6. Exit provisions

6.1. On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 to the Shareholders selling Shares in that Share Sale (including those Shareholders selling Shares pursuant to the operation of Article 18) and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with

that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and
- (b) the selling Shareholders shall take any action required by the Majority Member to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

6.2. On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by the Majority Member (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies.

6.3. In the event of an Exit approved in accordance with these Articles (the "**Proposed Exit**"), all Shareholders shall consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit ("**Actions**"). The Shareholders shall be required to take all Actions with respect to the Proposed Exit as are required by the Board and the Majority Member to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article, the Company shall be constituted the agent of each defaulting Shareholder for taking such actions as are necessary to effect the Proposed Exit and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents and the Company may receive any purchase money due to the defaulting Shareholder in trust for each of the defaulting Shareholders.

6.4. Notwithstanding anything to the contrary herein, in no event shall a Shareholder be subject to any obligation to take any action or agree (a) to be liable, whether by indemnity obligations or otherwise, for any amount in excess of the consideration which they actually receive in respect of any Exit or sale pursuant to the operation of Article 18 or their pro rata portion of any indemnity or similar obligation with respect thereto, (b) to be liable, whether by indemnity obligations or otherwise, for any amount in respect of the fraud of another person, (c) to give warranties or indemnities (except a warranty as to capacity and title to the Shares held by such Shareholder) or (d) to be subject to a non-compete or similar restrictive covenant.

7. Votes in general meeting

7.1. Preference Shares shall confer on each holder of the relevant Preference Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on written resolutions of the Company.

7.2. The Ordinary Shares shall confer on each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on written resolutions of the Company.

7.3. The A Ordinary Shares shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company or to receive and vote on written resolutions of the Company.

7.4. Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or proxies or (being a corporation) is present by a duly authorised representative or by proxy or proxies shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him, her or it.

8. Conversion of Preference Shares and A Ordinary Shares

- 8.1. Any holder of Preference Shares shall be entitled, by giving notice in writing to the Company, to require conversion into Ordinary Shares of all of the Preference Shares held by him, her or it at any time and those Preference Shares shall convert automatically on the date the holder of such Preference Shares specifies in such notice (the "**Conversion Date**"). The holder may in such notice, state that conversion of its Preference Shares into Ordinary Shares is conditional upon the occurrence of particular events (the "**Conditions**").
- 8.2. All of the Preference Shares and the A Ordinary Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of an IPO. All of the Series A Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series A Majority, all of the Series B Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series B Majority, all of the Series C Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series C Majority, all of the Series C-1 Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series C-1 Majority, all of the Series D Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series D Majority and all of the Series E Shares shall automatically convert into Ordinary Shares immediately upon the express written election by a Series E Majority (in any case, a "**Majority Conversion Election**"), in which case such conversion election may be absolute or it can also be subject to Conditions.
- 8.3. In the case of (i) Article 8.1, within five (5) Business Days after the Conversion Date or (ii) in the case of Article 8.2, at least five (5) Business Days prior to the occurrence of the IPO or a Majority Conversion Election, each holder of the relevant Preference Shares or A Ordinary Shares shall deliver the certificate (or an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)) in respect of the shares being converted to the Company at its registered office for the time being.
- 8.4. Where conversion is mandatory on the occurrence of an IPO, that conversion will be effective only immediately prior to such IPO (and "**Conversion Date**" shall be construed accordingly) and, if such IPO does not become effective or does not take place, such conversion shall be deemed not to have occurred. In the event of a conversion under Article 8.1 or the second sentence of Article 8.2 if conditions have been placed on such conversion, if the Conditions have not been satisfied or waived by the relevant holder by the Conversion Date, such conversion shall be deemed not to have occurred.
- 8.5. On the Conversion Date, the relevant Preference Shares and A Ordinary Shares shall, without further authority than is contained in these Articles, stand converted into Ordinary Shares on the basis of one (1) Ordinary Share denominated in the same currency for each Preference Share or A Ordinary Share held (subject to proportional adjustment in the event of any stock split, stock dividend, recapitalization or subdivision of Shares or similar event) and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares.
- 8.6. The Company shall on the Conversion Date enter the holder of the converted Preference Shares or A Ordinary Shares on the register of Shareholders of the Company as the holder of the appropriate number of Ordinary Shares and, subject to the relevant holder delivering its certificate(s) (or indemnity) in respect of the Preference Shares or A Ordinary Shares in accordance with this Article, the Company shall within ten (10) Business Days of the Conversion Date forward to such holder of Preference Shares or A Ordinary Shares, as the case may be, by an internationally recognised overnight courier to his, her or its address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares (unless in the case of an IPO such shares are uncertificated, in which case if the Shareholder still wishes to have a certificate, then he, she or it shall be able to request a certificate under the procedures, if any for doing so in such a case).

- 8.7. On the Conversion Date (or as soon afterwards as it is possible to calculate the amount payable), the Company will, if it has sufficient Available Profits, pay to holders of the Preference Shares falling to be converted a dividend equal to all Arrears, if any, and accruals of dividends in relation to those Preference Shares to be calculated on a daily basis down to and including the day immediately preceding the Conversion Date. If the Company has insufficient Available Profits to pay all such Arrears and accruals of dividends in full then it will pay the same to the extent that it is lawfully able to do so and any Arrears and accruals of dividends that remain outstanding, if any, shall continue to be a debt due from and immediately payable by the Company.

9. Variation of Rights

- 9.1. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of (a) in the case of the Series A Shares, a Series A Majority, (b) in the case of the Series B Shares, a Series B Majority, (c) in the case of the Series C Shares, a Series C Majority, (d) in the case of the Series C-1 Shares, a Series C-1 Majority, (e) in the case of the Series D Shares, a Series D Majority, (f) in the case of the Series E Shares, a Series E Majority and (g) in all other cases, the consent of the holders of more than 75 percent in nominal value of the issued shares of that class shall be required.
- 9.2. Without prejudice to the generality of Article 9.1, the consent of the Series A Majority shall be required to increase the number of Series A Shares authorised or in issue or to authorise or issue any further Series A Shares, or any securities convertible into or exchangeable for any such Series A Shares.
- 9.3. Without prejudice to the generality of Article 9.1, the consent of the Series B Majority shall be required to increase the number of Series B Shares authorised or in issue or to authorise or issue any further Series B Shares, or any securities convertible into or exchangeable for any such Series B Shares.
- 9.4. Without prejudice to the generality of Article 9.1, the consent of the Series C Majority shall be required to increase the number of Series C Shares authorised or in issue or to authorise or issue any further Series C Shares, or any securities convertible into or exchangeable for any such Series C Shares.
- 9.5. Without prejudice to the generality of Article 9.1, the consent of the Series C-1 Majority shall be required to increase the number of Series C-1 Shares authorised or in issue or to authorise or issue any further Series C-1 Shares, or any securities convertible into or exchangeable for any such Series C-1 Shares.
- 9.6. Without prejudice to the generality of Article 9.1, the consent of the Series D Majority shall be required to increase the number of Series D Shares authorised or in issue or to authorise or issue any further Series D Shares, or any securities convertible into or exchangeable for any such Series D Shares.
- 9.7. Without prejudice to the generality of Article 9.1, the consent of the Series E Majority shall be required to increase the number of Series E Shares authorised or in issue or to authorise or issue any further Series E Shares, or any securities convertible into or exchangeable for any such E Shares.

10. Allotment of new shares or other securities

- 10.1. In accordance with section 567(1) of the Act, sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 10.2. No Shares shall be allotted to any Employee, Director, prospective employee or director unless such person has entered into a joint section 431 ITEPA election with the Company or its equivalent in any relevant jurisdiction if required.

11. Lien

The Company shall have a first and paramount lien on every Share not fully paid for and for any indebtedness of any holder of it to the Company (whether a sole holder or one of two or more joint holders), whether or not that indebtedness or liability is in respect of the Shares concerned and whether or not it is presently payable.

12. Transfers of Shares – general

- 12.1. In Articles 12 to 18 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 12.2. No Share may be transferred at any time prior to an IPO unless the transfer is made in accordance with these Articles.
- 12.3. If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he, she or it will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him, her or it.
- 12.4. Any transfer of a Share by way of sale which is required to be made under Articles 14 to 18 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 12.5. Unless required so to in these Articles, no Shares shall be transferred without the consent of the Board, other than transfers which are Permitted Transfers.
- 12.6. The Directors may refuse to register a transfer if:
 - (a) it is a transfer of a share to a bankrupt, a minor or a person of unsound mind;
 - (b) the transfer is to an Employee, Director or prospective employee or director and such person has not entered in a joint section 431 ITEPA election with the Company or its equivalent in any relevant jurisdiction.
- 12.7. The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement or similar document in force between some or all of the shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 12.7 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 12.8. To enable the Directors to determine whether or not there has been any disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has

occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights:

- (a) to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question); or
- (b) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 4) otherwise attaching to those shares or to any further shares issued in respect of those shares.

12.9. In any case where the Board may require a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of ten (10) Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five (5) Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;
- (b) it does not include a Minimum Transfer Condition (as defined in Article 14.2(d)); and
- (c) the Seller wishes to transfer all of the Shares held by it.

13. Permitted transfers

13.1. Subject to Article 13.5, a Shareholder (the "**Original Shareholder**") may transfer all or any of his, her or its Shares to a Permitted Transferee without restriction as to price or other terms.

13.2. Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 13.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

13.3. If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than seven (7) Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

13.4. Trustees may:

- (a) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**"); or
- (b) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (c) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

- 13.5. No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
 - (b) with the identity of the proposed trustees;
 - (c) the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 13.6. If a company to which a Share has been transferred under Article 13.4(a), ceases to be a Qualifying Company it must within seven (7) Business Days of so ceasing, transfer the Shares held by it to the Trustees or to a Qualifying Company (any may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.
- 13.7. If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he, she or it must, within fifteen (15) Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by him, her or it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
 - (b) give a Transfer Notice to the Company in accordance with Article 14.2,
- failing which he, she or it shall be deemed to have given a Transfer Notice.
- 13.8. On the death (subject to Article 13.2), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his, her or its personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within seven (7) Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within seven (7) Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice.
- 13.9. Where a Shareholder has made a Permitted Transfer to a Permitted Transferee Company, if such Shareholder ceases to have sole ownership and exclusive control of the relevant Permitted Transferee Company, such Permitted Transferee Company shall be deemed to have given a Transfer Notice in respect of its entire holding of Shares, unless within seven (7) days of such cessation, it transfers its entire holding of Shares back to the Original Shareholder or another Permitted Transferee of that Original Shareholder.
- 13.10. A transfer of any Shares approved by the Majority Member may be made without restriction as to price or otherwise and each transfer shall be registered by the Directors.
- 13.11. Notwithstanding any other provision in these Articles, the Company may at any time cause the transfer of all of the shares in the Company to a Holding Company, provided such transaction has been approved by the Board with the consent of the Majority Member (a "**Holding Company Transfer**") and such transaction shall not be required to comply with any of the other provisions of these Articles

(including, without limitation Articles 5, 6 and 18). If the Board resolves (with the consent of the Majority Member) to cause a Holding Company Transfer then each Shareholder is obliged to exchange its shares in the Company for securities, units or membership interests in that Holding Company ("**Exchange Securities**") and each Shareholder hereby irrevocably undertakes to do all things, execute, complete and deliver all documents, waivers or consents and pass all resolutions, in each case to give effect to and in respect of the Holding Company Transfer and issue of Exchange Securities. If in connection with a Holding Company Transfer, the Board or the board of directors or managers of any Holding Company resolves to take any action to restructure the Company or the Holding Company or any equity interest in the Company or the Holding Company, including, without limitation, converting some or all of the Exchange Securities into a single class of securities or other interests, re-designating some or all of the Exchange Securities (or other interests), re-classifying some or all of the Exchange Securities (or other interests), exchanging some or all of the Exchange Securities for securities or other interests in another entity (in any class), undertaking a reorganisation or restructuring of the group or varying any rights of Shareholders or holders of Exchange Securities or rights attaching to Shares or Exchange Securities ("**Holding Company Transfer Related Actions**"), then provided that such Holding Company Transfer Related Actions are effected substantially in accordance with any circular sent to Shareholders informing them of the Holding Company Transfer, each Shareholder hereby irrevocably undertakes, and irrevocably appoints one of the Directors (or some other person nominated by a resolution of the Board) as its agent, to do all things, and execute and deliver, on behalf and in the name of such Shareholder, all documents to give effect to and in respect of the relevant Holding Company Transfer, the issue of Exchange Securities and/or the Holding Company Transfer Related Actions (including, without limitation, consents, execution of stock transfer forms, share exchange agreements and any members' agreements (both before and after the implementation of any Holding Company Transfer Related Actions)).

- 13.12. Notwithstanding any other provision in these Articles, on any person, on or following a Holding Company Transfer and/or any Holding Company Transfer Related Actions, becoming a holder of shares pursuant to the exercise of subscription rights (including, without limitation, options to acquire shares in the Company, warrants to require the allotment of shares in the Company or the conversion of any convertible security of the Company) (a "**New Equity Security Holder**"), the provisions of Article 13.11 (with the necessary changes) shall apply to such New Equity Security Holder on the same terms and such New Equity Security Holder shall be bound, immediately upon becoming a New Equity Security Holder, to do all things, execute, complete and deliver all documents, waivers or consents and pass all resolutions to give effect to and in respect of the Holding Company Transfer, the issue of Exchange Securities and/or any Holding Company Transfer Related Actions, as if such New Equity Security Holder had been a Shareholder immediately prior to the Holding Company Transfer. Each New Equity Security Holder hereby irrevocably undertakes, and irrevocably appoints one of the Directors (or some other person nominated by a resolution of the Board) as its agent, to do all things, and execute and deliver, on behalf and in the name of such New Equity Security Holder, all documents to give effect to and in respect of the relevant Holding Company Transfer, the issue of Exchange Securities and/or the Holding Company Transfer Related Actions, including, without limitation, consents, execution of stock transfer forms, share exchange agreements and any members' agreements (both before and after the implementation of any Holding Company Transfer Related Actions).
- 13.13. Without prejudice to any other provision in these Articles, if an Original Shareholder transfers his Shares to a Permitted Transferee under Article 13.1 and the person to whom his Shares were transferred subsequently ceases to be a Permitted Transferee of the Original Shareholder, the Permitted Transferee (or the transmittee(s) of any such person), shall within seven (7) Business Days (or such other period as set forth in Article 13.7) of ceasing to be a Permitted Transferee of the Original Shareholder (for whatever reason) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, failing which a Transfer Notice shall be deemed

to have been given in respect of such Shares on the expiry of the said seven (7) Business Day period (or other period as set forth in Article 13.7).

14. Transfers of Shares subject to pre-emption rights

- 14.1. Save where the provisions of Articles 13 and 18 apply, any transfer of Shares by a Shareholder prior to an IPO or an Exit shall be subject to the pre-emption rights contained in this Article 14.
- 14.2. A Shareholder who wishes to transfer Shares (a "**Seller**") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:
- (a) the number of Shares which he, she or it wishes to transfer (the "**Sale Shares**");
 - (b) if he, she or it wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
 - (c) the price (in cash) at which he, she or it wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (the "**Transfer Price**"); and
 - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a "**Minimum Transfer Condition**").
- 14.3. Except with the written consent of the Majority Member, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.
- 14.4. A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.
- 14.5. As soon as practicable following the later of:
- (a) receipt of a Transfer Notice; and
 - (b) in the case where the Transfer Price has not been specified or the Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 15,

the Board shall offer the Sale Shares for sale to the Majority Member in the manner set out in Article 14.6. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6. Transfers: Right of First Offer

- (a) The Board shall first offer the Sale Shares to the Majority Member inviting it to apply in writing within the period from the date of the offer to the date fifteen (15) Business Days after the offer (inclusive) (the "**Offer Period**") for the maximum number of Sale Shares it wishes to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 14.6 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to the Majority Member.
- (d) If not all Sale Shares are allocated in accordance with Article 14.6(c) the balance will be dealt with in accordance with Article 14.7(e).

14.7. Completion of transfer of Sale Shares

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and the Majority Member stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
 - (i) the Transfer Notice does not include a Minimum Transfer Condition; or
 - (ii) allocations have been made in respect of all the Sale Shares,the Board shall, when no further offers are required to be made under Article 14.6, give written notice of allocation (an "**Allocation Notice**") to the Seller and the Majority Member specifying the number of Sale Shares allocated to the Majority Member and the place and time (being not less than ten (10) Business Days nor more than twenty (20) Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 14.7(c):
 - (i) the Chairman of the company or, failing him, her or it, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
 - (A) complete, execute and deliver in his, her or its name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Majority Member;
 - (B) receive the Transfer Price and give a good discharge for it; and
 - (C) (subject to the transfer being duly stamped) enter the Majority Member in the register of Shareholders as the holders of the Shares purchased by them; and
 - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he, she or it has delivered to the Company his, her or its certificate or certificates for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 14.7(f), the Seller may, within eight (8) weeks after service of the Allocation Notice, transfer the remaining Sale Shares to any person at a price at least equal to the Transfer Price provided that the sale of the remaining Sale Shares shall continue to be subject to any Minimum Transfer Conditions.
- (f) The right of the Seller to transfer Shares under Article 14.7(e) does not apply if the Board is of the opinion on reasonable grounds that:
 - (i) the transferee is a person (or a nominee for a person) who the Directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
 - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

- (iii) the Seller has failed or refused to provide promptly information available to it or him, her or it and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

14.8. Waiver of restrictions

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with the consent of the Majority Member.

15. Valuation of Shares

15.1. If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 17.2 (the "**Expert Valuer**") to certify the Fair Value of the Sale Shares; or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding twelve (12) weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

15.2. The Expert Valuer will be either:

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

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

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
- (d) reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

15.4. If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.

15.5. The Expert Valuer shall be requested to determine the Fair Value within twenty (20) Business Days of their appointment and to notify the Board of their determination.

- 15.6. The Expert Valuer shall act as an expert and not as an arbitrator and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 15.7. The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 15.8. The Expert Valuer shall deliver its certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five (5) Business Days of the service on him, her or it of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 15.9. The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
 - (b) the sale is pursuant to a Transfer Notice which is deemed to have been served, and the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before the Expert Valuer was instructed,
- in which case the Seller shall bear the cost.

16. Compulsory transfers – General

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

If either requirement in this Article 16.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

- 16.3. If a Shareholder which is a company or a Permitted Transferee of that Shareholder either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder and such Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by it save to the extent that, and at a time, the Directors may determine.
- 16.4. If there is a change in control (as control is defined in sections 450 and 1124 of CTA) of any Shareholder which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the original Shareholder from whom it received its Shares or to any other Permitted Transferee before

being required to serve a Transfer Notice. The provisions of this Article 16.4 may be waived in whole or part by the Majority Member.

17. Employee Voting

- 17.1. All voting rights attached to Employee Shares held by an Employee (the "**Restricted Member**"), if any, shall at the time he or she ceases to be an Employee be suspended unless the Board and the Majority Member notify him or her in writing otherwise.
- 17.2. Any Employee Shares whose voting rights are suspended pursuant to Article 17.1 ("**Restricted Shares**") shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy. Voting rights suspended pursuant to Article 17.1 shall be automatically restored immediately prior to an IPO. If a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of shareholders) automatically be restored.

18. Drag-along

- 18.1. If at any time the holders of 75% or more of the Voting Equity Shares of the Company (the "**Selling Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser, the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article.
- 18.2. The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.
- 18.3. Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within forty (40) Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 18.4. The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be:
- (a) that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser to the Selling Shareholders and the Called Shareholders were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5;
 - (b) in the same form of consideration (and amount of consideration) for each of the Called Shareholders' Shares of a particular class or series of Shares as for the Sellers' Shares of the same such class or series and
 - (c) subject to Article 18.4(b) (requiring the same form of consideration to be available to the Shareholders of any single class or series of Shares) if any holders of any Shares are given an option as to the form and amount of consideration to be received as a result of a transaction

subject of a Drag Along Notice, all holders of such class or series of Shares will be given the same option.

- 18.5. No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in these Articles. Notwithstanding anything to the contrary herein, in respect of a transaction that is the subject of a Drag-Along Notice, in no event shall a Called Shareholder be subject to any obligation to take any action or agree:
- (a) to give warranties (except a warranty as to capacity and title to the Shares held by such Shareholder);
 - (b) to be liable for the inaccuracy of any warranty made by any other person in connection with any transaction that is the subject of a Drag-Along Notice, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of warranties and covenants of the Company as well as breach by any Shareholder of any identical warranties and covenants provided by all Shareholders; provided, however, that no Shareholder shall be liable for the fraud of another Shareholder);
 - (c) unless the liability for indemnification or otherwise of any of Called Shareholder in any transaction that is the subject of a Drag-Along Notice and for the inaccuracy of any warranties made by the Company in connection with such transaction, is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of warranties and covenants of the Company as well as breach by any Shareholder of identical warranties and covenants provided by all Shareholders) and subject to these Articles and the allocation of escrow, is pro rata in proportion to the amount of consideration paid to such Called Shareholder in connection with such transaction;
 - (d) to be liable, whether by indemnity obligations or otherwise, other than for such Called Shareholder's pro rata share (determined in proportion to proceeds received by such Called Shareholder in connection with the transaction that is the subject of a Drag-Along Notice, subject to the provisions of these Articles and the allocation of escrow) of a negotiated aggregate indemnification amount that applies equally to all Shareholders but that in no event exceeds the amount of consideration actually paid to such Called Shareholder in connection with such transaction, except with respect to claims related to fraud by such Called Shareholder, the liability for which need not be limited as to such Called Shareholder; and
 - (e) to enter into any release of claims other than those arising solely in such Called Shareholder's capacity as a shareholder or employee of the Company, as applicable; or
 - (f) to be subject to a non-compete or similar restrictive covenant that directly or indirectly limits or restricts its business or activities or those of its Affiliates.
- 18.6. Within five (5) Business Days of service of a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company.
- 18.7. Completion of the sale and purchase of the Called Shares ("**Completion**") shall take place on the same date as, and conditional upon the completion of, the sale and purchase of the Sellers' Shares unless:
- (a) all of the Called Shareholders and the Selling Shareholders otherwise agree; or

- (b) that date is less than five Business Days after the date of service of the Drag Along Notice, in which case completion of the sale and purchase of the Called Shares shall take place five Business Days after the date of service of the Drag Along Notice.

- 18.8. On Completion the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 18.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the amounts due pursuant to Article 18.4 shall be a good discharge to the Proposed Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 18.4 in trust for the Called Shareholders without any obligation to pay interest.
- 18.9. To the extent that the Proposed Purchaser has not, on Completion, put the Company in funds to pay the amounts due pursuant to Article 18.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 18 in respect of that Drag Along Notice.
- 18.10. If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company by Completion or to do any other thing in connection with this Article 18, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) and/or to do any other thing or executed any other document necessary or desirable, to the extent the Proposed Purchaser has, by Completion, put the Company in funds to pay the amounts due pursuant to Article 18.4 for the Called Shareholder's Shares offered to him, her or it. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his, her or its share certificate for his, her or its Shares (or provide a suitable indemnity) to the Company. On surrender, he, she or it shall be entitled to the amount due to him, her or it pursuant to Article 18.4.
- 18.11. Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 14.
- 18.12. On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing right to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

19. Proxies

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:

- (a) be deposited at the registered office of the Company or at any other place within the United Kingdom or Germany as may be specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
- (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the Chairman or to the Secretary or to any Director; or

- (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the Chairman or to the Secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the Secretary or to any Director or scrutineer,

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

20. Directors' borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability of obligation of the Company or of any third party.

21. Appointment of Directors

21.1. The Majority Member may at any time and from time to time:

- (a) appoint any person to be a Director either to fill a vacancy or as an additional Director or remove from office any Director however appointed;
- (b) appoint any person to be an alternate Director for any Director (in which case the Director shall during the currency of such appointment have no right to appoint an alternate Director and shall have no right to remove such alternate Director) or remove from office any alternate Director (whether or not appointed by the Majority Member), without the consent of the Director for whom such alternate is appointed and without requiring the approval of the Directors; and
- (c) appoint any person (whether or not a Director and notwithstanding that members of committees may otherwise be required to be Directors) to be a member of any committee of Directors or remove from office any member of any such committee (whether or not appointed by the Majority Member).

21.2. Any such appointment or removal shall be in writing notified to the Company and shall take effect on being delivered to the Company at its registered office or upon delivery to the company secretary (if any) or to the Company at a meeting of the Directors or, if contained in electronic form, upon delivery to the address (if any) as may for the time being be notified by or on behalf of the Company for the receipt of messages in electronic form.

22. Disqualification of Directors

In addition to that provided in Model Article 18, the office of a Director shall also be vacated if:

- (a) he, she or it is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his or her office be vacated; or
- (b) if the Majority Member serves notice on him, her or it or her in writing, removing him or her from office.

23. Proceedings of Directors

- 23.1. In the event that a meeting of the Directors is attended by a Director who is acting as alternate for a Director, the Director for whom he, she or it is the alternate shall be counted in the quorum despite their absence, and if on that basis there is a quorum the meeting may be held despite the fact (if it is the case) that only one Director is physically present.

23.2. A Director may vote at a meeting of the Directors, and form part of a quorum present at that meeting, in relation to any matter in which he, she or it has, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that he, she or it has previously disclosed the nature of such duty or interest to the Directors.

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

24. Execution of documents

Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the Secretary or by one Director in the presence of a witness who attests his signature, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act) have effect as if executed under seal.

25. Notices

25.1. Any notice shall be in writing and shall be conclusively deemed to have been duly given:

- (a) when hand delivered to the relevant party;
- (b) when received when sent by facsimile, e-mail (if also faxed) at the relevant address;
- (c) five (5) Business Days after dispatch if sent from a location in the United Kingdom to an address in the United Kingdom by post;
- (d) two (2) Business Days after dispatch if sent by a reputable international overnight courier addressed to the relevant party provided that delivery in at least two (2) Business Days was guaranteed at the time of sending and the sending Party receives a confirmation of delivery from the courier service provider.

25.2. In proving service of a notice it shall be sufficient to prove that personal delivery was made, or that the relevant notice or other written communication was properly addressed stamped and posted or in the case of a facsimile or e-mail (and confirmatory fax) evidence that the relevant communication was properly sent.

26. Indemnities and insurance

26.1. Subject to the provisions of the Act:

- (a) every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he, she or it may sustain or incur in or about the execution of the duties of his, her or its office or otherwise in relation to his, her or its office, including any liability incurred by him, her or it in defending any proceedings, whether civil or criminal, in which judgment is given in his, her or its favour or in which he, she or it is acquitted or in connection with any application under sections 661(3) or (4) or 1157 of the Act in which relief is granted to him, her or it by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his, her or its office or otherwise in relation to his, her or its office;
- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law

would otherwise attach to him, her or it in respect of any negligence, default, breach of duty or breach of trust of which he, she or it may be guilty in relation to the Company.

- 26.2. The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his, her or its office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him, her or it in respect of any negligence, default of duty or breach of trust of which he, she or it may be guilty in relation to the Company.

27. Data protection

Each of the shareholders and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a "**Recipient**") for the limited 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 or any other person except to a Member of the same Group ("**Recipient Group Companies**") and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies who have a "need to know" and who are bound by appropriate confidentiality restrictions. Each of the Company's shareholders and directors (from time to time) 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 reasonably desirable to do so.

28. Secretary

Subject to the provisions of the Act, the directors may appoint a secretary for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

29. Directors' Conflicts Of Interest

29.1. In accordance with the Act:

- (a) the directors may authorise any matter or situation in which a director (the "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**Conflict Situation**");
- (b) any authorisation given in accordance with this Article 35.1 may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain Board meetings, withholding from him, her or them certain Board or other papers and/or denying him, her or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- (c) in considering any request for authorisation in respect of a Conflict Situation, the directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion

(whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation.

29.2. Without requiring authorisation under the provisions of Article 29.1:

- (a) an Investor Director may be or become subject to one or more Conflict Situations as a result of having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company, the shareholder of the Majority Member which appointed him or her and/or any Affiliated Party of that shareholder; and
- (b) any director (not being an Investor Director) may be or become subject to one or more Conflict Situations as a result of having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company.

29.3. If any Conflict Situation is authorised or otherwise permitted under the Articles, the Conflicted Director (for as long as he or she reasonably believes such Conflict Situation subsists):

- (a) shall not be required to disclose to the Company (including the Board or any committee of it) any confidential information relating to such Conflict Situation which he or she obtains or has obtained otherwise than in his or her capacity as a director of the Company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him or her to another person;
- (b) shall be entitled to attend or absent himself or herself from all or any meetings of the Board (or any committee of it) at which anything relating to such Conflict Situation will or may be discussed; and
- (c) shall be entitled to make such arrangements as he or she thinks fit to receive or not receive documents or information (including, without limitation, Board papers (or those of any committee of it)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his or her behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty he or she owes to the Company pursuant to Sections 171 to 177 (inclusive), Act and the provisions of this Article 35.3 shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

29.4. Where a Conflict Situation has been authorised or is otherwise permitted under these Articles:

- (a) the Conflicted Director shall not, by reason of his or her office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he or she derives from such Conflict Situation;
- (b) no contract, arrangement, transaction or proposal shall be avoided on the grounds of the Conflicted Director having any interest in the Conflict Situation or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit; and

- (c) the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176 of the Act,

provided the Conflicted Director has disclosed the nature and extent of his or her interest in the Conflict Situation to the other directors.