

Company number 08332008

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS OF THE SOLE MEMBER**

of

**Wool And The Gang Limited**  
(the "Company")

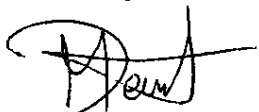
Circulation date: 21 September 2016 (the "Circulation Date")

Pursuant to section 291 of the Companies Act 2006, the directors of the Company propose that the resolution (the "**Resolution**") below is passed as a special resolution of the Company.

**SPECIAL RESOLUTION**

THAT the draft new articles of association, in the form appended hereto, be adopted as the articles of the Company in substitution for and to the exclusion of all the existing articles of association

The undersigned, being the sole member entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution.



Title: DIRECTOR

Signed for and on behalf of  
Crafts Group Holding Limited

MONDAY



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A12

10/10/2016

#146

COMPANIES HOUSE

PRIVATE COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION**

of

**WOOL AND THE GANG LTD**

MONDAY



\*A5HCC1EB\*

A12

10/10/2016

#147

COMPANIES HOUSE

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THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES  
**ARTICLES OF ASSOCIATION**  
of  
**WOOL AND THE GANG LTD**

(Adopted by a written resolution passed on 2015)

**1. INTRODUCTION**

- 1 1 The model Articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles (the "**Model Articles**") shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles
- 1 2 Model Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 17(2), 17(3), 24, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 51, 52 and 53 shall not apply to the Company
- 1 3 In these Articles and the Model Articles, any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force
- 1 4 In these Articles, article headings are used for convenience only and shall not affect the construction or interpretation of these Articles and 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

**"Accepting Shareholder"** has the meaning given in Article 20 11,

**"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),

**"Affiliate"** means, with respect to any of Index, Wellington or MMC London, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such Investor, including, without limitation, any general partner, managing member, officer or director of such Investor or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management or advisory company with, such Investor and for the purposes of Index, shall include Local Globe,

**"Arrears"** means in relation to any Share, all arrears of any dividend or other sums payable in

respect of that Share,

**"as converted basis"** means, at any given time, as if all Seed Preferred Shares have been converted into Ordinary Shares at the Conversion Ratio (notwithstanding that in respect of some or all of the Seed Preferred Shares the right to so convert may not be exercisable or may be contingent at that time),

**"Asset Sale"** means the disposal of all or substantially all of the undertaking or assets (including, without limitation, any exclusive licence of intellectual property not entered into in the ordinary course of business and consistent with prior practice) of the Company or any Subsidiary of the Company,

**"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 Member of the same Fund Group,

**"Auditors"** means the auditors of the Company from time to time or, if the Company has lawfully not appointed auditors, its accountants for the time being,

**"Available Profits"** means profits available for distribution within the meaning of section 711 of the Act,

**"Bad Leaver"** means a Founder who ceases to be an Employee at any time, during the Relevant Period, by reason of

- (a) resignation (save in circumstances amounting to constructive dismissal or by reason of illness resulting in permanent incapacity or death), or
- (b) dismissal by the Company (or a member of the Group) on grounds of fraud, gross misconduct or a material breach of his service agreement, including any restrictive covenants,

**"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,

**"Bonus Issue" or "Reorganisation"** means any return of capital, bonus issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made with the prior written consent of the Seed Preferred Majority) or any consolidation or sub-division or any repurchase or redemption of shares (other than a repurchase or redemption of Seed Preferred Shares which is made with the prior written consent of the Seed Preferred Majority) or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company,

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

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

**"Commencement Date"** means 9 May 2013,

**"Company"** means Wool and the Gang Ltd,

**"Connected"** has the meaning given in Section 1122 of CTA,

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

**"Conversion Date"** has the meaning given in Article 8 2,

**"Conversion Price"** means £0 20438 in respect of the Seed Preferred 1 Shares and the Seed Preferred 2 Shares and £0 26055 in respect of the Seed Preferred 3 Shares, as adjusted in accordance with Article 9,

**"Conversion Ratio"** means the Starting Price divided by the Conversion Price,

**"CTA 2010"** means the Corporation Tax Act 2010,

**"Data Protection Legislation"** means the Data Protection Acts of 1984 and 1998, and the EU Data Protection Directive 95/46/EC,

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

**"Deferred Shares"** means deferred shares of £0 0001 each in the capital of the Company,

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

**"Dragging Shareholders"** has the meaning set out in Article 21 1 of these Articles,

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

**"electronic address"** has the meaning as set out in Section 333(4) of the Act,

**"electronic form"** means by facsimile or email transmission,

**"Employee"** means an individual who is employed by, or who is an officer of or who provides consultancy services to, the Company or any member of the Group,

**"Employee Trust"** means a trust, the terms of which are approved by the Board, whose beneficiaries are limited to persons of the kind described in section 1166 of the Act, or any of them,

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

**"Equity Holder"** has the meaning given in Article 20 2,

**"Equity Shares"** means the Shares other than the Deferred Shares,

**"Exit"** means a Share Sale or an Asset Sale,

**"Expert Valuer"** is as determined in accordance with Article 18 2,

**"Fair Value"** is as determined in accordance with Article 18 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,

**"Founders"** means Aurelie Popper and Jade Harwood,

**"Founder Shares"** means any shares in the capital of the Company beneficially owned, either directly or indirectly, by a Founder and/or any Relevant Member,

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

**"Fully Diluted"** means at any point in time, the aggregate of

- (a) the number of Ordinary Shares then in issue and outstanding,
- (b) the number of Ordinary Shares which would be in issue assuming the conversion of all Seed Preferred Shares then in issue and outstanding,
- (c) the number of Ordinary Shares which would be in issue assuming the exercise in full of all share options and rights to subscribe or convert into Ordinary Shares (whether immediately exercisable or not), which would, when exercised, result in an increase in the number of Ordinary Shares issued and outstanding, and
- (d) excluding any Deferred Shares

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

**"hard copy form"** has the same meaning as set out in Section 1168(2) of the Act,

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

**"Index"** means each of the following entities either individually or as a group Index Ventures VI (Jersey), L P , Index Ventures VI Parallel Entrepreneur Fund (Jersey), L P , Yucca (Jersey) SLP and Local Globe,

**"Index Director"** means the director of the Company nominated by Index under Article 24 2,

**"Investors"** means holders of Seed Preferred 2 Shares and Seed Preferred 3 Shares,

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

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

**"Leaver's Percentage"** in relation to and for the purposes of determining the number of Founder Shares held by the Founder and/or any Relevant Member in relation to the Founder on the Commencement Date together with any Shares issued to any such person prior to the third anniversary of the Commencement Date that are to be converted into Deferred Shares (pursuant to Article 14) as a result of a Founder ceasing to be an Employee by reason of being a Bad Leaver within the period commencing on the Commencement Date and ending on the Effective Termination Date the percentage (rounded up to two decimal places) as calculated using the following formula

$$50 - ((50/12) \times NQ),$$

where NQ equals the number of complete quarterly periods from the Commencement Date to the Effective Termination Date such that the Leaver's Percentage shall be zero on the last day of the 36<sup>th</sup> month after the Commencement Date,

provided that if the Founder's employment, office or consultancy (as applicable) is terminated within 12 months of an Exit, the Leaver's Percentage shall be zero,

**"Local Globe"** means LGV, L P ,

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

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

**"a Member of the same Group"** means, in relation to any Shareholder, an undertaking which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that undertaking or a Subsidiary Undertaking of any such Parent Undertaking, and for these purposes the Secretary of State for Business, Innovation and Skills and any other UK governmental



agency or department shall be deemed to be an undertaking and a Parent Undertaking of any shareholder which it or any other UK governmental agency or department controls or majority owns,

**"MMC London"** means MMC GP London Limited (registered number 08224716) as general partner of MMC London Fund LP (registered number LP015196),

**"MMC Ventures"** means MMC Ventures Limited (company number 03946009) and any replacement manager of MMC London from time to time,

**"Nasdaq"** means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc ,

**"New Securities"** means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the Date of Adoption, other than shares or securities issued as a result of

- (a) options to subscribe for Ordinary Shares and the issue of shares pursuant to the exercise of options granted under any Share Option Plan,
- (b) new securities issued or granted in order for the Company to comply with its obligations under these Articles,
- (c) new securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Seed Preferred Majority,
- (d) new securities issued as a result of a bonus issue of shares which has been approved in writing by the Seed Preferred Majority provided such bonus issue is made on a pari passu and pro rata basis to all holders of Equity Shares,
- (e) Shares or options for Shares issued or granted in accordance with the terms of the Subscription Agreement,
- (f) Ordinary Shares issued pursuant to a share sub-division or similar reorganisation of the Company's share capital,
- (g) Ordinary Shares issued upon conversion of Seed Preferred Shares, or
- (h) new securities issued pursuant to a venture debt financing transaction approved by the Board and the Seed Preferred Majority

**"Offer"** has the meaning set out in Article 20 8,

**"Offer Notice"** has the meaning given in Article 20 9,

**"Offer Period"** has the meaning set out in Article 20 9,

**"Offer Shares"** has the meaning given in Article 20 9,

**"Ordinary Directors"** means such directors of the Company nominated by the Ordinary Majority under Article 24 4,

**"Ordinary Majority"** means the shareholders together holding more than 50% of the Ordinary Shares,

**"Ordinary Shareholders"** means the holders from time to time of the Ordinary Shares,

**"Ordinary Shares"** means the ordinary shares of £0.0001 each in the capital of the Company,

**"Permitted Transfer"** means a transfer of Shares in accordance with Article 16,

**"Permitted Transferee"** means

- (a) in relation to any Shareholder, any Employee Trust,
- (b) in relation to any Shareholder which is an Employee Trust, any Employee or individual who has been an Employee,
- (c) in relation to a Shareholder who is an individual, any of his Privileged Relations or Trustees,
- (d) in relation to a Shareholder which is an undertaking (as defined in section 1161 of the Act) means any Member of the same Group,
- (e) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group,
- (f) in relation to an Investor (i) to any Member of the same Group, (ii) to any Member of the same Fund Group, (iii) to any other Investor, or (iv) to any nominee of an Investor,
- (g) in relation to Index, Wellington or MMC London, to any Affiliate, and
- (h) in relation to a Founder, any transfer of Shares to an Investor made with the prior written consent of a Seed Preferred Majority and pursuant to and in satisfaction of any liability to such Investor in respect of a claim for breach of warranty under the Subscription Agreement

**"Personal Data"** has the same meaning as the term "personal data" under the Data Protection Legislation,

**"Preference Amount"** means (a) £0.26055 per share in the case of the Seed Preferred 3 Shares, (b) £0.20438 per share in the case of the Seed Preferred 2 Shares and (c) £0.20438 per share in the case of the Seed Preferred 1 Shares, together with a sum equal to any Arrears and as may be adjusted in accordance with Article 5.2 to reflect any Bonus Issue or Reorganisations,

**"Priority Rights"** means the rights of Shareholders to purchase Shares contained in a Transfer Notice in the priority stipulated in Article 17.6,

**"Privileged Relation"** in relation to a Shareholder who is an individual member or deceased or former member means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue),

**"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 and in respect of any consideration payable otherwise than in cash, shall be the amount certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of that consideration,

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

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

**"Proposed Transfer"** has the meaning given in Article 20 7,

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

**"Relevant Interest"** has the meaning set out in Article 26 5,

**"Relevant Member"** means a member who holds shares on behalf of or shall have acquired shares directly or indirectly from a Founder pursuant to one or more Permitted Transfers (including where such shares were subscribed by such member and that member would have been entitled to receive a Permitted Transfer from the Founder), or a member who holds shares in the Company upon a Family Trust in respect of a Founder or her Privileged Relation(s),

**"Relevant Period"** means 36 months from the Commencement Date,

**"Sale Date"** has the meaning given in Article 20 9,

**"Seed Preferred Directors"** means the Index Director and the Wellington Director and **"Seed Preferred Director"** shall be construed accordingly,

**"Seed Preferred Majority"** means the holders of more than 50% of the issued Seed Preferred 3 Shares and Seed Preferred 2 Shares from time to time (as if they constituted one and the same class of shares) and to include Index and Wellington,

**"Seed Preferred 1 Shareholders"** means the holders of the Seed Preferred 1 Shares,

**"Seed Preferred 1 Shares"** means the series seed preferred 1 shares of £0 0001 each in the capital of the Company,

**"Seed Preferred 2 Shareholders"** means the holders of the Seed Preferred 2 Shares,

**"Seed Preferred 2 Shares"** means the series seed preferred 2 shares of £0 0001 each in the capital of the Company,

**"Seed Preferred 3 Shareholders"** means the holders of the Seed Preferred 3 Shares,

**"Seed Preferred 3 Shares"** means the series seed preferred 3 shares of £0 0001 each in the capital of the Company,

**"Seed Preferred Shareholders"** means the holders of the Seed Preferred Shares,

**"Seed Preferred Shares"** means the Seed Preferred 1 Shares, the Seed Preferred 2 Shares and the Seed Preferred 3 Shares from time to time,

**"Shareholder"** means any holder of any Shares,

**"Share Option Plan(s)"** means the share option plan(s) of the Company, the terms of which have been approved by the Seed Preferred Majority,

**"Shares"** means the Ordinary Shares, Deferred Shares, Seed Preferred 1 Shares, Seed Preferred 2 Shares and Seed Preferred 3 Shares from time to time,

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

**"Starting Price"** means £0 20438 in respect of the Seed Preferred 1 Shares and the Seed Preferred 2 Shares and £0 26055 in respect of the Seed Preferred 3 Shares,

**"Subscription Agreement"** means the subscription and shareholders' agreement dated on or around the Commencement Date, as amended from time to time, between, inter alia, the Company, the Investors and others,

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

**"Transfer Notice"** shall have the meaning given in Article 17 2,

**"Transfer Price"** shall have the meaning given in Article 17 2(c),

**"Trustees"** in relation to a Shareholder means the trustee or the trustees of a Family Trust,

**"undertaking"** shall have the meaning given in section 1161 of the Act,

**"Unvested"** means in relation to Ordinary Shares those shares which are capable of being converted into Deferred Shares under Article 14,

**"Vested"** in relation to Ordinary Shares means those shares which are no longer capable of being converted into Deferred Shares under Article 14,

**"Wellington"** means Wellington Partners Venture V Technology Fund L P , and

**"Wellington Director"** means the director of the Company nominated by Wellington under Article 24 3

### **3. SHARE CAPITAL**

- 3 1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue
- 3 2 Except as otherwise provided in these Articles, the Seed Preferred 3 Shares, the Seed Preferred 2 Shares, the Seed Preferred 1 Shares and the Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares
- 3 3 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from Article 22(2) of the Model Articles

3 4 In Article 25(2) of the Model Articles, the words "payment of a reasonable fee as the directors decide" in paragraph (c) shall be deleted and replaced by the words "payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine"

3 5 Subject to the written consent of a Seed Preferred Majority the Company may purchase its own Shares with cash to the extent permitted by section 692(1ZA) of the Act

#### **4. DIVIDENDS**

4 1 The Seed Preferred Shareholders shall be entitled to participate in any distribution of Available Profits which the Company may determine to distribute pari passu with any other class or classes of Share to whom such distribution is made (as if the Seed Preferred Shares and the other relevant class or classes of Share constituted one class of share) pro rata on an as converted basis to their respective holdings of Shares

4 2 Subject to the Act, these Articles and the Subscription Agreement, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period

#### **5 LIQUIDATION PREFERENCE**

5 1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be applied (to the extent that the Company is lawfully permitted to do so)

(a) first, in paying to each of the Seed Preferred 3 Shareholders, an amount equal to the higher of (i) the Preference Amount for each issued Seed Preferred 3 Share held (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Seed Preferred 3 Shareholders pro rata to their respective holdings of Seed Preferred 3 Shares) or (ii) the amount such Seed Preferred 3 Shareholder would receive if the surplus assets were distributed to the Ordinary Shareholders and the Seed Preferred Shareholders pro rata to their respective shareholdings (on an as converted basis),

(b) second, in paying to each of the Seed Preferred 2 Shareholders, an amount equal to the higher of (i) the Preference Amount for each issued Seed Preferred 2 Share held (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets shall be distributed to the Seed Preferred 2 Shareholders pro rata to their respective holdings of Seed Preferred 2 Shares) or (ii) the amount such Seed Preferred 2 Shareholder would receive if the surplus assets were distributed to the Ordinary Shareholders and the Seed Preferred Shareholders pro rata to their respective shareholdings (on an as converted basis),

(c) third, in paying to each of the Seed Preferred 1 Shareholders, an amount equal to the higher of (i) the Preference Amount for each issued Seed Preferred 1 Share held (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Preference Amount, the remaining surplus assets after the application of Article 5 1(a) shall be distributed to the Seed Preferred 1 Shareholders pro rata to

their respective holdings of Seed Preferred 1 Shares) or (ii) the amount the Seed Preferred 1 Shareholders would receive if the surplus assets were distributed to the Ordinary Shareholders and the Seed Preferred Shareholders pro rata to their respective shareholdings (on an as converted basis),

- (d) fourth, in paying to the holders of the Deferred Shares, if any, a total of £1 00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares), and
- (e) the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held

5.2 In the event of any Bonus Issue or Reorganisation, the Preference Amount shall be subject to adjustment on such basis as may be agreed in writing by the Board with the Seed Preferred Majority, acting reasonably and in good faith, within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Seed Preferred Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company.

## 6. EXIT PROVISIONS

6.1 On a Share Sale the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares sold in connection with that Share Sale if the Proceeds of Sale are not so distributed 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 Shareholders shall take any action as is necessary 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 Seed Preferred Majority (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 by the Board and the Dragging Shareholders in accordance with the terms of 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 (acting with the approval of the Seed Preferred Directors) to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article 6.3, 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 Shareholder 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

## **7. VOTES IN GENERAL MEETING**

- 7 1 The Equity Shares shall confer on each holder of Equity Shares the right to receive notice of and to attend, speak and vote (on an as converted basis) at all general meetings of the Company
- 7 2 The Deferred Shares (if any) shall not entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company nor to receive or vote on proposed written resolutions of the Company
- 7 3 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 (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him on an as converted basis

## **8. CONVERSION OF SHARES**

### *Conversion of Seed Preferred Shares*

- 8 1 Seed Preferred Shares shall convert into Ordinary Shares on the terms of this Article 8 and the corresponding share capital of the Company shall automatically be re-designated accordingly Where this would result in a reduction in the nominal aggregate value of Shares held by the Shareholder, the Seed Preferred Shares shall also convert into such number of Deferred Shares as is required to ensure that the nominal aggregate value of Shares held by that Shareholder remains the same
- 8 2 Any holder of Seed Preferred Shares shall be entitled, by notice in writing to the Company, to require conversion into Ordinary Shares of all of the Seed Preferred Shares held by it at any time Those Seed Preferred Shares specified in such notice shall convert automatically on the date stated in such notice (the "**Conversion Date**")
- 8 3 All of the Seed Preferred Shares shall automatically convert into Ordinary Shares immediately upon the request of a Seed Preferred Majority (which for the purposes of this Article 8 3 must include MMC Ventures) and the Conversion Date shall be the date of the notice requesting such conversion sent by a Seed Preferred Majority to the Company and the other holders of Seed Preferred Shares
- 8 4 All of the Seed Preferred Shares shall automatically convert into Ordinary Shares immediately upon the occurrence of an IPO 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

- 8 5 At least five Business Days after the Conversion Date (or in the case of Article 8 4, at least five Business Days prior to the occurrence of the IPO), each holder of the relevant Seed Preferred 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 for such shares to the Company at its registered office for the time being
- 8 6 On the Conversion Date, the relevant Seed Preferred Shares shall without further authority than is contained in these articles stand converted into Ordinary Shares at the Conversion Ratio (rounded down to the nearest whole number) and the Ordinary Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Ordinary Shares
- 8 7 The Company shall on the Conversion Date enter the holder of the converted Seed Preferred 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 Seed Preferred Shares in accordance with this Article, the Company shall within 10 Business Days of the Conversion Date forward to such holder of Seed Preferred Shares by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Ordinary Shares
- 8 8 On the Conversion Date, the Company will pay to holders of the Seed Preferred Shares falling to be converted a dividend equal to any unpaid Arrears and accruals of dividends in relation to those Seed Preferred Shares, which payment may be waived by a Seed Preferred Majority

*Conversion of Ordinary Shares held by a Founder*

- 8 9 On completion of any transfer of Ordinary Shares by a Founder to an Investor made pursuant to and in satisfaction of any liability to such Investor in respect of a claim for breach of warranty under the Subscription Agreement such Ordinary Shares shall convert into Seed Preferred 2 Shares and the corresponding share capital of the Company shall automatically be re-designated accordingly
- 8 10 No more than five Business Days before completion of any such transfer, the Founder 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 The occurrence of the transfer shall be deemed to confer irrevocable authority on the Board at any time to appoint any person to execute or give on behalf of the Founder concerned an indemnity in a form reasonably satisfactory to the Board in respect of any lost certificate(s)
- 8 11 On completion of any such transfer, the relevant Ordinary Shares shall without further authority than is contained in these Articles stand converted into Seed Preferred 2 Shares and the Series Preferred 2 Shares resulting from that conversion shall in all other respects rank pari passu with the existing issued Seed Preferred 2 Shares
- 8 12 The Company shall on completion of the transfer and subject to the transfer being duly stamped (unless an exemption applies) enter the name of the relevant Investor(s) on the



register of Shareholders of the Company as the holder of the appropriate number of Series Preferred 2 Shares and the Company shall within 10 Business Days of completion of the transfer forward to such Investor(s) by post to his address shown in the register of Shareholders, free of charge, a definitive certificate for the appropriate number of fully paid Series 2 Preferred Shares

## **9 ADJUSTMENT OF CONVERSION PRICE**

- 9 1 In the event of any Bonus Issue or Reorganisation, the relevant Conversion Price shall be subject to adjustment on such basis as may be agreed by the Company with the Seed Preferred Majority within 10 Business Days after any Bonus Issue or Reorganisation. If the Company and the Seed Preferred Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its Shareholders. The costs of the Auditors shall be borne by the Company.

## **10 DEFERRED SHARES**

- 10 1 The Deferred Shares may be redeemed by the Company at any time at its option for one penny for all the Deferred Shares registered in the name of any holder without obtaining the sanction of the holder or holders.
- 10 2 The allotment, issue or creation (by re-designation of Equity Shares or otherwise) of Deferred Shares shall be deemed to confer irrevocable authority on the Board at any time after their allotment or issue to appoint any person to execute or give on behalf of the holder of those shares a transfer of them to such person or persons as the Company may determine.

## **11 VARIATION OF RIGHTS**

- 11 1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75 per cent in nominal value of the issued shares of that class save that the special rights attaching to the Seed Preferred Shares may only be varied or abrogated with the consent of the Seed Preferred Majority (which for the purposes of this Article 11 1 must include MMC Ventures).
- 11 2 The creation of a new class of shares which has preferential rights to one or more existing classes of shares shall not constitute a variation of the rights of those existing classes of shares.

## **12 ALLOTMENT OF NEW SHARES OR OTHER SECURITIES PRE-EMPTION**

- 12 1 In accordance with sections 567(1) and/or 570 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.
- 12 2 Unless otherwise agreed in writing by the Seed Preferred Majority (which for the purposes of this Article 12 2 must include MMC Ventures) and by special resolution passed in general meeting or as a written resolution passed in accordance with Chapter 2 of Part 13 of the Act,

if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares on the same terms and at the same price as those New Securities are being offered to other persons on pari passu and pro rata basis to the number of Equity Shares held by those holders (as nearly as may be without involving fractions) on an as converted basis

The offer

- (a) shall be in writing, give details of the number and subscription price of the New Securities and the period (being not less than 10 Business Days) within which the offer must be accepted, and
- (b) may stipulate that any holder of Equity Shares who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities ("**Excess Securities**") for which they wish to subscribe

12 3 Any New Securities not accepted by the holders of Equity Shares pursuant to the offer made to them in accordance with Article 12 2 shall be used for satisfying any requests for Excess Securities made pursuant to Article 12 2 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants on a pro rata basis to the number of Equity Shares held by the applicants immediately prior to the offer (on an as converted basis) made to holders of Equity Shares in accordance with Article 12 2 (as nearly as may be without involving fractions or increasing the number allotted to any holder of Equity Shares beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered, subject to Article 12 5, to any other person as the Directors may determine at the same price and on the same terms as the offer to the holders of Equity Shares

12 4 Any Investor may assign all or any portion of its rights under this Article 12 or under Article 17 to a Member of the same Fund Group or an Affiliate

12 5 In the event that a Member of the same Fund Group as MMC Ventures is entitled to subscribe for Shares pursuant to its rights under this Article 12 or to receive a transfer of shares under Article 17 ("**MMC Shares Due**"), MMC may with the prior written consent of the Board, such consent not to be unreasonably withheld or delayed, require that it shall be a condition of such allotment or transfer that such Shares be redesignated and/or varied into any existing class of Shares provided that the rights attached to such class of Shares are no more favourable than those attached to the MMC Shares Due Any redesignation and/or variation of MMC Shares Due made pursuant to Article 12 5 shall be effected by resolution of the Board who shall be hereby authorised to do so for all purposes

12 6 Subject to Articles 12 2 to 12 5 and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper

- 12 7 No Shares shall be allotted to any Employee, Director, prospective employee or director tax resident in the United Kingdom unless such person has entered into a joint section 431 ITEPA election with the Company for the full disapplication of Chapter 2 of Part 7 of ITEPA

### 13. LIEN

- 13 1 The Company shall have a first and paramount lien on every Share not fully paid for all and 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
- 13 2 Any present or future lien on Shares howsoever arising which the Company has shall not apply in respect of any Shares which have been charged by way of security to, or otherwise secured in favour of, a Financial Institution (as defined below) or which are transferred in accordance with the provisions of Article 15 8

### 14. VESTING OF FOUNDER SHARES AND RESTRICTION ON FOUNDER TRANSFERS

- 14 1 Subject to Article 14 2, if at any time during the Relevant Period a Founder ceases to be an Employee by reason of being a Bad Leaver, the Leaver's Percentage of the Founder Shares relating to that Founder shall immediately convert into Deferred Shares (rounded down to the nearest whole share)
- 14 2 The Board (acting with the approval of the Seed Preferred Directors) has authority to declare (at any time) that some or all of the Founder Shares held by a Founder shall become Vested
- 14 3 Notwithstanding anything in these Articles to the contrary, a Founder and/or Relevant Member shall not, and shall not agree to, transfer or otherwise dispose of the whole or any part of his interest in, or rights in respect of, or grant any option or other rights over, any Shares to any person except with the prior written consent of the Seed Preferred Majority
- 14 4 All voting rights attached to any Founder Shares (the "**Restricted Member**"), if any, shall at the time he ceases to be an Employee be suspended unless the Board and the Seed Preferred Majority notify him otherwise
- 14 5 Any Founder Shares whose voting rights are suspended pursuant to Article 14 4 ("**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 14 4 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

### 15. TRANSFERS OF SHARES – GENERAL

- 15 1 In Articles 15 to 21 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

- 15 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 15 3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him
- 15 4 Any transfer of an Ordinary Share by way of sale which is required to be made under Articles 17 to 21 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee
- 15 5 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 15 5 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 15 6 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 acting with the consent of the Seed Preferred 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 such information and evidence as the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur
- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights
    - (i) to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or on a written resolution of the class in question) provided that such rights shall not cease if as a result of such cessation the Company shall become a Subsidiary of a Seed Preferred Shareholder, or

- (ii) to receive dividends or other distributions (other than the amount they may be entitled to pursuant to the application of Article 4.1) otherwise attaching to those shares or to any further shares issued in respect of those shares, and
- (b) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder

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

15.7 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. 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 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 17.2(d)), and
- (c) the Seller wishes to transfer all of the Shares held by it

15.8 Notwithstanding anything contained in these Articles or otherwise, the directors shall not decline to register any transfer of Shares, nor may they suspend registration thereof where such transfer

- (a) is to any bank, lender or financial institution, or other person to which such Shares have been charged or on whose behalf such Shares were charged, by way of security (whether as a lender, or agent and trustee for a group of banks or institutions or otherwise), or to any affiliate of or nominee or other entity acting on behalf of such a bank lender, financial institution or other person to which such Share are being transferred by way of security (a "Secured Institution"),
- (b) is delivered to the Company for registration by a Secured Institution in order to perfect its security over the Shares,
- (c) is expected by an administrator, receiver or manager appointed by or on behalf of a Secured Institution under any such security, or
- (d) is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under any such security,

and furthermore notwithstanding anything to the contrary contained in these Articles no transferor of any Shares in the Company or proposed transferor of such Shares to a Secured Institution or its nominee and no Secured Institution and no administrator, receiver or manager appointed by or on behalf of a Secured Institution or its nominee shall be required to comply with any requirement in Articles 12, 17, 20 or 21 or offer

the Shares which are or are to be the subject of any transfer aforesaid to the Shareholders for the time being of the Company or any of them, and no such Shareholder shall have any right under the Articles or otherwise howsoever to require such Shares to be transferred to them whether for consideration or not

- 15 9 A certificate from the Secured Institution, or any receiver (or similar officer) that the Shares are or are to be subject to security and the transfer is in accordance with the provisions of this Article 15 shall be conclusive evidence of such facts

#### 16. PERMITTED TRANSFERS

- 16 1 Any Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise
- 16 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 Ordinary Shares previously transferred as permitted by this Article 16 2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise
- 16 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 five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares
- 16 4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to give a Transfer Notice in respect of such Shares
- 16 5 Trustees may (i) transfer Shares to a company in which they hold the whole of the share capital and which they control (a "**Qualifying Company**") or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise
- 16 6 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
- 16 7 If a company to which a Share has been transferred under Article 16 5, ceases to be a Qualifying Company it must within five 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
- 16 8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either
  - (a) execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them, or
  - (b) give a Transfer Notice to the Company in accordance with article 17 2,failing which he shall be deemed to have given a Transfer Notice
- 16 9 On the death (subject to Article 16 2), bankruptcy, liquidation, administrator or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice
- 16 10 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board, including the Seed Preferred Directors

## **17. TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS**

- 17 1 Save where the provisions of Articles 16, 20 and 21 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 17

17.2 A Shareholder who wishes to transfer any Shares (a "Seller") shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a "Transfer Notice") to the Company specifying

- (a) the number of Shares which he wishes to transfer (the "Sale Shares"),
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,
- (c) the price (in cash) at which he 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")

17.3 Except with the consent of the Seed Preferred Directors, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn

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

17.5 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 18,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 17.6 to 17.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered

17.6 The Sale Shares shall be offered in the following priority

- (i) first, to the Seed Preferred 3 Shareholders and Seed Preferred 2 Shareholders (as if they constituted one and the same class of shares), and
- (ii) second, to the Seed Preferred 1 Shareholders and Ordinary Shareholders (as if they constituted one and the same class of shares),

in each case on the basis set out in Article 17.7

17.7 *Transfers First Offer*



- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all Seed Preferred 2 Shareholders and Seed Preferred 3 Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 17 7 and 17 8 will be conditional on the fulfilment of the Minimum Transfer Condition
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Seed Preferred 2 Shareholder and Seed Preferred 3 Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Seed Preferred Shares bears to the total number of Seed Preferred Shares held by those Seed Preferred 2 Shareholders and/or Seed Preferred 3 Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy
- (d) If not all Sale Shares are allocated in accordance with Article 17 7(c) but there are applications for Sale Shares that have not been satisfied those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in Article 17 7(c)
- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Seed Preferred 2 Shareholders and/or Seed Preferred 3 Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 17 8

17 8 *Transfers Second Offer*

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Seed Preferred 1 Shareholders and Ordinary Shareholders (as if they constituted one and the same class of shares) inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each such Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Seed1 Preferred Shares and Ordinary Shares bears to the total number of Seed1 Preferred Shares and Ordinary Shares (including Sale Shares) held by those Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy
- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Shareholders in accordance with their applications and the

balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with 17 9(e)

17 9 *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 all those to whom Sale Shares have been conditionally allocated under articles 17 7 and 17 8 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, and/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 Articles 17 7 and 17 8, give written notice of allocation (an "**Allocation Notice**") to the Seller and each Shareholder to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

- (d) If the Seller fails to comply with the provisions of Article 17 9(c)

- (i) the Chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller

- (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,

- (B) receive the Transfer Price and give a good discharge for it, and

- (C) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

- (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his 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 no Allocation Notice has been served because a Minimum Transfer Condition was not met or an Allocation Notice does not relate to all the Sale Shares then, subject to article 17 9(f) the Seller may, within eight weeks after service of the Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the

Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Condition

- (f) The right of the Seller to transfer Shares under Article 17 9(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, or otherwise Connected with a person) who the Board (with the consent of the Seed Preferred Directors) determines in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company,
  - (ii) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or
  - (iii) the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above

17 10 *Waiver of restrictions*

The restrictions imposed by this Article may be waived in relation to any proposed transfer of Shares with Board consent, including the Seed Preferred Directors, and the consent of the Seed Preferred Majority

**18. VALUATION OF SHARES**

18 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 expert valuers in accordance with Article 18 2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares, or
- (b) (if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice

18 2 The Expert Valuers will be either

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

18 3 The "**Fair Value**" of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer,
  - (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
  - (c) that the Sale Shares are capable of being transferred without restriction,
  - (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent, and
  - (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account
- 18 4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit
- 18 5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination
- 18 6 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 18 7 The Board will give the Expert Valuers 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
- 18 8 The Expert Valuers shall deliver their certificate to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Seller Unless the shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares
- 18 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 Valuers is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,
- in which case the Seller shall bear the cost

## 19. **COMPULSORY TRANSFERS**

- 19 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

19 2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either

- (a) to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer), or
- (b) to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder

If either requirement in this Article 19 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

19 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 or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and/or such Permitted Transferee save to the extent that, and at a time, the Directors may determine

19 4 If there is a change in control (as control is defined in section 1122 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 This Article 19 4 shall not apply to any Investor

## 20. CO-SALE AND TAG ALONG RIGHTS

### Co-Sale

20 1 No transfer (other than a Permitted Transfer) of any of the Equity Shares may be made or validly registered unless the relevant Shareholder (a "**Selling Shareholder**") shall have observed the following procedures set out in Article 20 2 through 20 5

20 2 After the Selling Shareholder has gone through the pre-emption process set out in Article 17, the Selling Shareholder shall give to each holder of Seed Preferred 2 Shares and Seed Preferred 3 Shares who has not taken up their pre-emptive rights under Article 17 (an "**Equity Holder**") not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**") The Co-Sale Notice shall specify

- (a) the identity of the proposed purchaser (the "**Buyer**"),
- (b) the price per share which the Buyer is proposing to pay,
- (c) the manner in which the consideration is to be paid,

(d) the number of Equity Shares which the Selling Shareholder proposes to sell, and

(e) the address where the counter-notice should be sent

- 20 3 Each Equity Holder shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Shareholder that they wish to sell a certain number of Equity Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Equity Shares which such Equity Holder wishes to sell. The maximum number of shares which an Equity Holder can sell under this procedure shall be

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

where

X is the number of Equity Shares held by the Equity Holder,

Y is the total of the number of Equity Shares held by all Equity Holders together with, except if the Selling Shareholder is an Equity Holder, the number of Equity Shares the Selling Shareholder proposes to sell,

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

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

- 20 4 Following the expiry of five Business Days from the date the Equity Holders receive the Co-Sale Notice, the Selling Shareholder shall be entitled to sell to the Buyer on the terms notified to the Seed Preferred Shareholders a number of shares not exceeding the number specified in the Co-Sale Notice less any shares which Equity Holders have together indicated they wish to sell, provided that at the same time the Buyer (or another person) purchases from the Equity Holders the number of shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer

- 20 5 No sale by the Selling Shareholder shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice

- 20 6 Sales made in accordance with the provisions of Articles 20 1 to 20 5 (inclusive) shall not be subject to Article 17

Tag-Along

- 20 7 The provisions of Articles 20 8 to 20 13 shall apply if, in one or a series of related transactions, one or more Shareholders propose to transfer any Shares ("**Proposed Transfer**") which would, if carried out, result in any Proposed Purchaser (and Associates of or persons Acting in Concert with such Proposed Purchaser) acquiring a Controlling Interest in the Company

- 20 8 Before making a Proposed Transfer, each Shareholder proposing to transfer Shares shall procure that the Proposed Purchaser makes an offer ("**Offer**") to all of the other Shareholders to purchase all of the Equity Shares held by them for a consideration in cash per Share that is at least equal to the Specified Price (as defined in Article 20 13)
- 20 9 The Offer shall be given by written notice ("**Offer Notice**"), at least 15 Business Days ("**Offer Period**") before the proposed sale date ("**Sale Date**") To the extent not described in any accompanying documents, the Offer Notice shall set out
- (a) the identity of the Proposed Purchaser,
  - (b) the purchase price and other terms and conditions of payment,
  - (c) the Sale Date, and
  - (d) the number of Shares proposed to be purchased by the Proposed Purchaser ("**Offer Shares**")
- 20 10 If the Proposed Purchaser fails to make the Offer to all of the holders of Equity Shares in the Company in accordance with Articles 20 8 and 20 9, the Shareholders proposing to transfer Shares shall not be entitled to complete the Proposed Transfer and the Directors shall not register any transfer of Shares effected in accordance with the Proposed Transfer
- 20 11 If the Offer is accepted in writing by any Shareholder ("**Accepting Shareholder**") within the Offer Period, the completion of the Proposed Transfer shall be conditional on completion of the purchase of all the Offer Shares held by Accepting Shareholders
- 20 12 If any Accepting Shareholder does not, at the time appointed for completion of the Proposed Transfer, deliver a duly executed stock transfer form in respect of the Offer Shares then the defaulting Accepting Shareholder shall be deemed to have irrevocably appointed any Director to be his agent or attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such Accepting Shareholder) of the consideration payable for the Offer Shares After the Proposed Purchaser has been registered as the holder of such Offer Shares the validity of such proceedings shall not be questioned by any such person Failure to produce a Share certificate shall not impede the registration of Shares under this Article 20
- 20 13 For the purpose of Articles 20 7 through 20 12
- (a) the expression "**transfer**" and "**purchaser**" shall include the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively,
  - (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser
    - (i) in the Proposed Transfer, or

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

plus an amount equal to the Relevant Sum, as defined in Article 20 13(c), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the "**Supplemental Consideration**") provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Articles 5 and 6,

- (c) **Relevant Sum** = C – A

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

C = the Supplemental Consideration

## **21 DRAG-ALONG**

- 21 1 If a Seed Preferred Majority and an Ordinary Majority (the "**Dragging Shareholders**") wish to transfer all their interest in Shares (the "**Sellers' Shares**") to a Proposed Purchaser or consent in their capacity as Shareholders to an Asset Sale, Share Sale or merger, the Dragging Shareholders shall, subject to the approval of the Board (including the Seed Preferred Directors), 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
- 21 2 The Dragging Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "**Drag Along Notice**") 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
- 21 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 Dragging Shareholders to the Proposed Purchaser within 40 Business Days after the date of service of the Drag Along Notice. The Dragging Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice
- 21 4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total



consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5

- 21 5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article
- 21 6 Within five Business Days of the Dragging Shareholders serving 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. On the expiration of that five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 21 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 21 4 shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 21 4 in trust for the Called Shareholders without any obligation to pay interest.
- 21 7 To the extent that the Proposed Purchaser has not, on the expiration of such five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 21 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 21 in respect of the relevant Drag Along Notice.
- 21 8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or a suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, 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)) to the extent the Proposed Purchaser has, at the expiration of that five Business Day period, put the Company in funds to pay the amounts due pursuant to Article 21 4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 21 4.
- 21 9 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 17.
- 21 10 If any new shares ("**New Shares**") are issued to any person, following the issue of a Drag Along Notice, pursuant to the exercise of an option 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 in respect of their New Shares immediately upon that issue of New Shares on the same terms as the previous Drag Along Notice and the New Shareholder shall then be

bound to sell and transfer all such New Shares 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 New Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder

## **22. GENERAL MEETINGS**

- 22 1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act
- 22 2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in Article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 50 per cent in nominal value of the Equity Shares, any resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held
- 22 3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman
- 22 4 If a demand for a poll is withdrawn under Article 44(3) of the Model Articles, the demand shall not be taken to have invalidated the result of a show of hands declared before the demand was made and the meeting shall continue as if the demand had not been made
- 22 5 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded
- 22 6 No notice need be given of a poll not held immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken
- 22 7 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day

## **23. PROXIES**

23 1 Paragraph (c) of Article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and accompanied by the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)"

23 2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may

(a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied 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 company 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 company secretary or to any Director, or at the time and place at which the poll is held to the chairman of the meeting or to company secretary (if any) 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

## **24. NUMBER AND APPOINTMENT OF DIRECTORS**

24 1 Unless and until the Company in general meeting shall otherwise determine with the consent of a Seed Preferred Majority, the number of Directors shall be not less than two and shall not exceed five

24 2 Index shall be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. Index shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place

24 3 Wellington shall be entitled to nominate one person to act as a Director of the Company by notice in writing addressed to the Company from time to time and the other holders of Shares shall not vote their Shares so as to remove that Director from office. Wellington shall be entitled to remove its nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place

24 4 An Ordinary Majority shall together be entitled to nominate two persons to act as Directors of the Company by notice in writing addressed to the Company from time to time and the other

holders of Shares shall not vote their Shares so as to remove any such Director from office. The Ordinary Majority shall be entitled to remove their nominated Directors so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.

- 24.5 The Board (with the approval of each of the Seed Preferred Directors) shall have the right to nominate one natural person to act as an independent member of the Board of the Company and such director may be removed from his position by the Board (with approval from each of the Seed Preferred Directors) and, upon his removal, another such Director may be appointed in the same manner.
- 24.6 An appointment or removal of a Director under Articles 24.2, 24.3 or 24.4 shall be effective upon delivery to the Company's registered office of
- (a) an appropriate notice naming the relevant person signed by the relevant Shareholder(s) (or their duly authorised representatives), and
  - (b) in the case of appointments only, a notice consenting to act and specifying an address for service of notices of meetings signed by the person being appointed as a Director.
- 24.7 Each Seed Preferred Director shall be entitled at his request to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.
- 24.8 In respect of any actions or matters requiring the acceptance, approval, agreement or consent or words having similar effect of the Seed Preferred Directors under these Articles
- (a) if at any time there is one Seed Preferred Director appointed, the consent of such Seed Preferred Director shall be required,
  - (b) if at any time both of the Seed Preferred Directors are appointed, the consent of both such Seed Preferred Directors shall be required, and
  - (c) if at any time there is no Seed Preferred Director appointed, the prior written consent of the Seed Preferred Majority shall be required.
- 24.9 Any reference to the acceptance, approval, agreement or consent of a Seed Preferred Director or words having similar effect shall be deemed to be a reference to his acceptance, approval, agreement or consent in writing or to his vote in favour of a resolution in respect of the matter concerned at a duly convened and quorate meeting of the Board, such vote being recorded in minutes of the meeting of the Board which are subsequently approved in writing by the Seed Preferred Director.
- 24.10 Any Director may appoint as an alternate any other Director, or any other person approved by the Seed Preferred Directors, to exercise that Director's powers and carry out that Director's responsibilities in relation to the taking of decisions by the Directors, in the absence of the appointing Director. Any appointment or removal of an alternate must be effected by notice in

writing to the Company signed by the appointing Director, or in any other manner approved by the Directors

- 24 11 Each of Index and Wellington shall be entitled to appoint one person to act as an observer to the Board. Each such observer shall be entitled to attend and speak at all meetings of the Board and to receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.

## **25. PROCEEDINGS OF DIRECTORS**

- 25 1 The Board shall comprise a maximum of five members. The quorum for Directors' meetings shall be two Directors who must include one Ordinary Director and, if appointed, one of the Seed Preferred Directors. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting and the Seed Preferred Directors. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.

- 25 2 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participants in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.

- 25 3 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

- 25 4 Provided (if these Articles so require) that he has declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of his interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.

- 25 5 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.

- 25 6 A decision of the Directors 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 (including confirmation given by electronic means).

## **26. DIRECTORS' INTERESTS**

- 26 1 Subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and

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

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

26 2 In addition to the provisions of Article 26 1, subject to the provisions of the Act and provided (if these Articles so require) that he has declared to the Directors in accordance with the provisions of these Articles, the nature and extent of his interest, where a Director is a Seed Preferred Director he may (save as to the extent not permitted by law from time to time), notwithstanding his office, have an interest arising from any duty he may owe to, or interest he may have as an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or direct or indirect investor (including without limitation by virtue of a carried interest, remuneration or incentive arrangements or the holding of securities) in

- (a) an Investor Fund Manager,
- (b) any of the funds advised or managed by an Investor Fund Manager from time to time, or

- (c) another body corporate or firm in which an Investor Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies

26 3 For the purposes of this Article 26, an interest of which a Director is not aware and of which it is unreasonable to expect him to be aware shall not be treated as an interest of his

26 4 In any situation permitted by this Article 26 (save as otherwise agreed by him) a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit

26 5 Subject to Article 26 6, any authority given in accordance with section 175(5)(a) of the Act in respect of a Director ("**Interested Director**") who has proposed that the Directors authorise his interest ("**Relevant Interest**") pursuant to that section may, for the avoidance of doubt

- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation
  - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest,
  - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed, or
  - (iii) restricting the application of the provisions in Articles 27.7 and 27 8, so far as is permitted by law, in respect of such Interested Director,
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time, and

subject to Article 26 6, an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26

26 6 Notwithstanding the other provisions of this Article 26, it shall not (save with the consent in writing of a Seed Preferred Director) be made a condition of any authorisation of a matter in relation to that Seed Preferred Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 26 8

26 7 Subject to Article 26 8 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required

- (a) to disclose such information to the Company or to any Director, or to any officer or employee of the Company, or
  - (b) otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director
- 26 8 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26 7 shall apply only if the conflict arises out of a matter which falls within Article 26 1 or Article 26 2 or has been authorised under section 175(5)(a) of the Act
- 26 9 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director may take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation
  - (a) absenting himself from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered, and
  - (b) excluding himself from documents or information made available to the Directors generally in relation to such situation or matter and/or arranging for such documents or information to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information.
- 26 10 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 26 1 or Article 26 2 at a meeting of the Directors, or by general notice in accordance with section 184 (notice in writing) or section 185 (general notice) of the Act or in such other manner as the Directors may determine, except that no declaration of interest shall be required by a Director in relation to an interest
  - (a) falling under Article 26 1(g),
  - (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware), or
  - (c) if, or to the extent that, it concerns the terms of his service contract (as defined by section 227 of the Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles
- 26 11 Subject to section 239 of the Act, the Company may by ordinary resolution ratify any contract, transaction or arrangement, or other proposal, not properly authorised by reason of a contravention of any provisions of this Article 27
- 26 12 For the purposes of this Article 26
  - (a) a conflict of interest includes a conflict of interest and duty and a conflict of duties,



- (b) the provisions of section 252 of the Act shall determine whether a person is Connected with a Director,
- (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified

## **27. ELECTRONIC COMMUNICATION**

- 27 1 Without prejudice to Article 48 of the Model Articles, notices and any other communications sent or supplied by the Company to Shareholders or Directors under these Articles may be sent or supplied by electronic means as defined in section 1168 of the Act (including via a website, chatroom, extranet, intranet, blog, online social network or forum or other similar mechanism duly notified to such Shareholder or Director or by electronic mail to any email address supplied to the Company, its officers or agents in writing by such Shareholders or Directors)
- 27 2 For the purposes of Article 27 1 above, the Company can assume that any email addresses supplied to the Company, its officers or agents by Shareholders or Directors are up to date and current, and it is the sole responsibility of each Shareholder and Director to update the Company as to any changes in their email addresses, and to ensure that the Company has and uses the correct email address. In this regard, all Shareholders and Directors agree that the Company has no responsibility to any Shareholder or Director who fails to receive any notice or other communication as a result of the Shareholder or Director failing to comply with this Article 27 2
- 27 3 When any notice or communication is sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, an email shall be sent to Shareholders to inform them of the existence of the notice or communication made on such website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism in accordance with Schedule 5 of the Act
- 27 4 Any notice or communication sent by means of a website, chatroom, internet, intranet, extranet, blog, online social network or forum, or other similar mechanism, shall be deemed to have been served on the intended recipient when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and any notice or communication sent by electronic mail or fax shall be deemed to be delivered at the time it was sent and shall be deemed to have been received 24 hours after its transmission
- 27 5 The Company's obligation to send or supply any notice or communication to Shareholders or Directors is satisfied when the Company transmits an electronic message and the Company is not responsible for a failure in transmission beyond its control
- 27 6 Each Shareholder and Director shall for the purposes of paragraph 6 and paragraph 9 of Schedule 5 of the Act, be deemed to have agreed to accept notices or communications from the Company in electronic form, and to them being made available on a website, by providing

a copy of his email address and expressly consenting to that email address being used for the purpose of receiving notices or communications from the Company in electronic form, and to the Company making information available on a website

## **28. INDEMNITIES AND INSURANCE**

28 1 Subject to the provisions of the Act

- (a) without prejudice to any indemnity to which a Director or officer of the Company may otherwise be entitled, every Director or other officer of the Company (other than the auditors of the Company) shall be entitled to be indemnified out of the assets of the Company against all costs, losses, liabilities and expenses which he 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 in defending any proceedings, whether civil or criminal, in which judgment is given in his, her or its favour or in which he is acquitted or in connection with any application under sections 144 or 727 of the Act or sections 661(3) or (4) or 1157 of the Act in which relief is granted to him by the court, and no Director or other officer (other than the auditors of the Company) 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 in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company

28 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 office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company

## **29. DATA PROTECTION**

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

**30 SECRETARY**

- 30 1 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

**31. SHARE CERTIFICATES**

- 31 1 The conditions of issue of any Shares shall not require the Company to issue any Share certificate although the Board may resolve to do so
- 31 2 The Company shall not be bound to issue more than one certificate in respect of Shares held jointly by two or more persons. Delivery of a certificate to the person first named in the register shall be sufficient delivery to all joint holders
- 31 3 If the Board resolves to issue a Share certificate it may be issued under seal (by affixing the seal to or printing the seal or a representation of it on the certificate) or signed by at least two Directors or by at least one Director and the Secretary. Such certificate shall specify the number and class of the Shares in respect of which it is issued and the amount or respective amounts paid up on it. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any Share certificates need not be autographic but may be applied to the certificates by some mechanical or other means or may be printed on them or that the certificates need not be issued under seal or signed by any person
- 31 4 Every Share certificate sent in accordance with these Articles will be sent at the risk of the member or other person entitled to the certificate. The Company will not be responsible for any Share certificate lost or delayed in the course of delivery