

THE COMPANIES ACT 2006

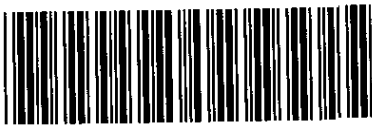
PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

of

AZERIA THERAPEUTICS LIMITED

(the "Company")



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08/08/2019

#376

COMPANIES HOUSE

Circulation Date:

13 June 2019

Pursuant to chapter 2 of part 13 of the Companies Act 2006 (the "Act"), the following resolutions (the "**Resolutions**") are proposed as written resolutions of the Company, in the case of Resolution 1 as an ordinary resolution and in the case of Resolutions 2 and 3 as special resolutions:

ORDINARY RESOLUTION

1. **THAT**, in accordance with section 551 of the Act, the directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £43.3677 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date of these Resolutions (the "**Period of Authority**") save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority revokes and replaces all unexercised authorities previously granted to the directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTIONS

2. **THAT**, subject to the passing of Resolution 1, the directors be and are hereby empowered and authorised until the expiry of the Period of Authority to allot equity securities (within the meaning of section 560 of the Act) pursuant to the authority granted by Resolution 1 above as if the rights of pre-emption contained in the Company's articles of association did not apply to such allotment.

3. THAT, the draft articles of association attached to these Resolutions be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolutions by signing below.

The undersigned, being a shareholder of the Company and a person entitled to vote on the Resolutions on the Circulation Date, hereby irrevocably agrees to the Resolutions:

Signature:



Name:

ROB JAMES

(Print Name)

For and on behalf of:

CRT PIONEER GP LTD

(Complete if Shareholder is a Corporate Entity)

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

AZERIA THERAPEUTICS LIMITED

(Adopted by special resolution passed on 13 June 2019)

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Company no: 10659547

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

AZERIA THERAPEUTICS LIMITED

(adopted by special resolution dated 13 June 2019)

1. DEFINITIONS

In these Articles the following words and phrases have the following meanings:

“**Acquiror**” has the meaning given to it in Article 19.1.1;

“**Act**” means the Companies Act 2006 and every statutory modification or re-enactment thereof for the time being in force;

“**Adoption**” means the passing of the special resolution approving the adoption of these Articles;

“**Affiliate**” means with respect to a specified person, a person that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified and any other person that is a member, director, officer, manager, general partner, limited partner or employee of such person or the specific person. For the purposes of this definition, “**control**” of a person means: (i) beneficial ownership of at least 50 per cent. (50%) of the voting securities or other ownership interest (whether directly or pursuant to any option, warrant or other similar arrangement) or other comparable equity interests of such person; or (ii) the possession, directly or indirectly, of the power to direct the management and policies of such person, whether through the ownership of voting securities, by contract, declaration of trust or otherwise, and the term “**controlled**” shall have a meaning correlative to the foregoing;

“**Allocation Notice**” has the meaning given to it in Article 17.5.2;

“**Applicant**” has the meaning given to it in Article 17.5.2;

“Arrears” means in relation to any Share, all accruals, deficiencies and arrears of any dividend payable in respect of such Share, together with all interest and other amounts payable thereon (if any);

“Articles” means these Articles of Association (as amended from time to time);

“As Converted Basis” in reference to any calculation or number, means that such calculation shall be made, or number determined, on the basis that each Series A Share is equivalent to such number of Ordinary Shares into which such Series A Share may then be converted in accordance with Article 6 at the then applicable Conversion Ratio;

“Associates” means in respect of any person:

- (i) any Family Trust of which such person is settlor or a beneficiary;
- (ii) any Privileged Relation of such person;
- (iii) any person “connected” with such person; and
- (iv) any other person who the Board (acting reasonably and in good faith) determines to be closely connected with such person (as may include, if so determined by the Board and without limitation, any Permitted Transferee of such person);

“Auditors” means the auditors of the Company from time to time;

“Available Assets” means the assets of the Company remaining after the payment (or other satisfaction) of its liabilities;

“Bad Leaver” means an individual whose engagement as a director or employee of, or consultant to, the Company or any of its Affiliates ceases (or where notice to cease such engagement has been given) in circumstances that would allow such engagement to be terminated by reason of such individual’s fraud, dishonesty, gross misconduct, material breach of obligation, or other circumstance by reason of which such individual may be summarily dismissed. The further provisions of Article 2.5.9 shall apply;

“Benchmark Price” has the meaning given to it in Article 5.1.1;

“Board” means the board of Directors of the Company as constituted from time to time;

“Business Day” means any day, other than a Saturday, Sunday or a day that is a national or bank holiday in the United Kingdom on which banks are open for the transaction of non-automated banking business;

“Business Sale” means the sale or other transfer of the whole or substantially the whole of the business and assets of the Company, including the grant by the Company to any person of an exclusive licence over all or substantially all of the Company’s commercially valuable intellectual property, in circumstances which the Shareholders own less than fifty per cent. (50%) of the voting shares of the purchasing entity;

“Called Shareholders” has the meaning given to it in Article 19.1.1;

“Called Shares” has the meaning given to it in Article 19.1.2;

“Capitalisation Issue” means an issue of Shares by the Company credited as fully paid up as to nominal value from any share premium account of the Company (or otherwise lawfully paid up from a capitalisation of profits or reserves (including any capital redemption reserve));

“Capital Reorganisation” means any: (i) issue of shares in the capital of the Company fully or partly paid up pursuant to a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) but excluding any Permitted Capitalisation Issue; (ii) sub-division or consolidation of shares in the capital of the Company; (iii) redesignation or re-classification of any shares in the capital of the Company; (iv) the redemption or repurchase of any shares in the capital of the Company; or (v) any other reorganisation of the share capital of the Company;

“Companies Acts” has the same meaning as in section 2 of the Act (as adapted or modified from time to time);

“Company’s Lien” has the meaning given in Article 25.1;

“Compulsory Transfer Event” has the meaning given to that term in Article 16.1;

“Compulsory Transfer Notice” means a Transfer Notice served (or deemed to have been served) pursuant to a Compulsory Transfer Event as set out in further detail in Article 16.3;

“Continuing Shareholders” has the meaning given to it in Article 17.3.1;

“Control” means, in relation to any person:

- (i) having, directly or indirectly, the power to direct, or cause the direction of, the management and policies of that person, whether through the ownership of voting securities in that or any other person, by contract or otherwise; or
- (ii) holding, directly or indirectly, such securities (or other rights) as confer on the holder thereof the right to exercise more than 50 per cent. (50%) of all votes exercisable in general meeting of the members of such person,

provided that in this definition:

- (a) the term “person” shall not include: (a) any individual; nor (b) any person (including, without limitation, any partnership under the Partnership Act 1890) which does not have an independent legal personality; and
- (b) a Holding Company shall be deemed to Control its subsidiaries;

“Controlling Interest” means in relation to the Company, the possession, directly or indirectly, of:

- (i) the power to direct, or cause the direction of the management and policies of the Company, whether through the ownership of voting securities in that or any other company, by contract or otherwise; or
- (ii) such shares (or other rights) as confer on the holder thereof the right to exercise more than 50 per cent. (50%) of all votes exercisable in general meetings of the members of the Company;

“Conversion Ratio” initially equals one (1), but subject to any adjustment made in accordance with Article 6.3.5;

“CRT” means Cancer Research Technology Limited, a company registered in England and Wales under number 1626049 with registered office at Angel Building, 407 St John Street London, EC1V 4AD;

“Deemed Liquidation Event” has the meaning given to it in Article 4.5;

“Deferred Shares” means the deferred shares of £0.00001 each in the share capital of the Company, having the rights set out in the Articles;

“Delayed Consideration” has the meaning given to it in Article 4.4;

“Director(s)” means the directors of the Company from time to time;

“Drag Notice” has the meaning given to it in Article 19.1.2;

“Drag Option” has the meaning given to it in Article 19.1.1;

“Drag Sale” has the meaning given to it in Article 19.1.1;

“Employee Member” means a person who is or has been a Director, employee and/or consultant of the Company or any of its Subsidiaries;

“Encumbrance” means a lien, pledge, claim, charge (whether fixed or floating), mortgage or other encumbrance or security interest of any kind or right exercisable by a third party having similar effect, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, whether arising by contract or by operation of law;

“Equity Award Pool” has the meaning given to such term in the Investment and Shareholders’ Agreement;

“Excess Securities” has the meaning given to it in Article 12.1.1(b);

“Family Trust” means a trust which only permits the settled property or the income therefrom to be applied for the benefit of:

- (a) the settlor and/or a Privileged Relation of that settlor; or

- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities);

and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settler or the Privileged Relations of the settler. For purposes of this definition “settlor” includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased member;

“**First Offer Period**” has the meaning given to it in Article 17.3.1;

“**Founder**” means Jason Scott Carroll;

“**Fund Manager**” means a person whose principal business is to make, manage or advise on share and other investments;

“**Group**” includes the following, if a 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 any such 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 such Investment Fund (but only in connection with the dissolution of such Investment Fund, or any distribution of assets of the Investment Fund in the ordinary course of that Investment Fund's business);
- (b) any fund managed by the same Fund Manager; or any holding company or Subsidiary of that Fund Manager, or any Subsidiary of any holding company of that Fund Manager; or
- (c) any trustee, nominee or custodian of such Investment Fund and vice versa;

“**Holder**” or “**Shareholder**” means in relation to any Shares, the member whose name is for the time being entered in the register of members of the Company as the holder of the Shares;

“**Holding Company**” means any holding company or parent undertaking;

“**Independent Expert**” means an accountant (acting as an expert and not as an arbitrator) appointed by the Company or, if the relevant transferor (if any) objects within five (5) days of the Company having given notice of the identity of such accountant to the transferor, then such accountant as the Company and the transferor may agree, or in the absence of agreement as may be nominated by the President for the time being of the Institute of Chartered Accountants in England and Wales;

“**Independent Person**” means any person who is not a director or an employee of, or engaged to provide, directly or indirectly, consultancy services to or for the benefit of, CRT or the University of Cambridge (or any of their Affiliates), or any person that is a Shareholder;

“Interested Director” has the meaning given to it in Article 24.5;

“Initial Surplus Shares” has the meaning given to it in Article 17.3.5;

“Investment and Shareholders’ Agreement” means the Investment and Shareholders’ Agreement to be entered into between certain of the Shareholders and the Company on or about the date of Adoption of these Articles;

“Leaver” means any individual who ceases to be a director or employee of, or a consultant to, the Company or any of its Affiliates (and who does not thereafter continue as either a director or employee of, or a consultant to, any member of the Company or any of its Affiliates). The further provisions of Article 2.5.8 shall apply;

“Lien Enforcement Notice” has the meaning given to it in Article 25.3;

“Listing” means the admission of any Shares (or the Shares of any Holding Company of the Company) to trading on, or the granting of permission for any of the Company’s Shares to be dealt on, a Recognised Investment Exchange or other investment exchange;

“Listing Price” means the price at which Ordinary Shares are offered to new investors as part of any placing (or other form of offering) undertaken in connection with a Listing (or, in the absence of any such placing (or other form of offering), the price as to be first quoted for Ordinary Shares on the Recognised Investment Exchange or other investment exchange on which such Listing shall occur);

“Liquidation Event” means a distribution of assets (whether in cash or in specie) by the Company on a liquidation and shall include any distribution by way of dividend but shall exclude any dividend or other distribution which is made by way of Capitalisation Issue in connection with any Capital Reorganisation approved by the Board with Majority Consent;

“Majority Consent” means the prior written consent of the holders of a majority in nominal value of the Shares;

“Market Value” has the meaning given in Article 16.5;

“Minimum Transfer Condition” has the meaning given to it in Article 17.1.3(d);

“Model Articles” means the model articles for private companies limited by shares contained in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

“New Securities” has the meaning given to it in Article 12.1.1;

“New Shareholder” has the meaning given to it in Article 19.1.10;

“nil paid” in relation to a Share means that none of that Share’s nominal value or any premium at which it was issued has been satisfied;

“Nominating Investor” means Pioneer;

“Non-Cash Consideration” has the meaning given to it in Article 4.4;

“Officer” in relation to a body corporate includes a Director, manager or secretary;

“Ordinary Director” means such Director of the Company as are nominated by CRT from time to time pursuant to Article 22.2;

“Ordinary Shares” means the ordinary shares of £0.00001 pence each in the capital of the Company, having the rights set out in the Articles;

“Permitted Capitalisation Issue” means a Capitalisation Issue made pursuant to Article 5;

“Permitted Transfer” means the transfer of Shares permitted by Article 15;

“Permitted Transferee” means a person to whom Shares may be transferred pursuant to a Permitted Transfer;

“Pioneer” means CRT Pioneer Fund LP, a limited partnership incorporated in England and Wales with registered number LP014931 whose registered office is at 4 Claridge Court, Lower Kings Road, Berkhamsted, Hertfordshire HP4 2AF, United Kingdom and any fund which is its successor;

“Privileged Relation” means, in relation to any Holder (being an individual who does not own the Shares concerned as a trustee), the spouse or civil partner (as defined in the Civil Partnership Act 2004) or widow or widower of such Holder and such Holder’s children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Holder’s children;

“Proxy Notice” has the meaning given in Article 10.8;

“Qualified Listing” means the admission of any of the Shares (or the shares of any Holding Company of the Company) to trading on, or the granting of permission for any such Shares to be dealt on, a Recognised Investment Exchange or other investment exchange at a price per Share not less than £3.00 and where the gross proceeds to the Company of the Listing exceed £20,000,000 (before the deduction of broker’s commissions and discounts);

“Recognised Investment Exchange” means a recognised investment exchange as defined by section 285 Financial Services and Markets Act 2000, and every statutory modification or re-enactment thereof for the time being in force together with (whether or not falling

within such definition) the Official List of the London Stock Exchange plc, the AIM market of the London Stock Exchange plc, NASDAQ;

“Relevant Holder” has the meaning given to it in Article 6.3.4;

“Relevant Interest” has the meaning given to it in Article 24.5;

“Relevant Issue” has the meaning given to it in Article 5.1.1;

“Relevant Officer” means any Director or other Officer or former Director or Officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act));

“Relevant Securities” means in respect of the Company, any Share or other security in the capital of the Company from time to time, or any other security, warrant, agreement or instrument which contains or provides for any right to subscribe or exchange for, convert into or otherwise call for any issue of any Shares or other securities in the capital of the Company from time to time;

“Retained Shares” has the meaning given to such term in Article 16.8;

“Sale Shares” has the meaning given to it in Article 17.1.3(a);

“Second Offer Period” has the meaning given to it in Article 17.4.1;

“Second Surplus Shares” has the meaning given to it in Article 17.4.3;

“Seller” has the meaning given to it in Article 17.1.3;

“Sellers’ Shares” has the meaning given to it in Article 19.1.1;

“Selling Series A Shareholders” has the meaning given to it in Article 19.1.1;

“Series A Shares” means the Series A convertible redeemable preferred shares of £0.00001 pence each in the capital of the Company, which have the rights set out in the Articles;

“Share Equivalents” has the meaning given to it in Article 19.1.5(c);

“Shares” means the Ordinary Shares, the Deferred Shares and the Series A Shares (and all other classes of shares (if any)) comprised in the capital of the Company from time to time;

“Share Sale” means the sale or other transfer of the whole or any part of the issued share capital of the Company to any person (or merger or scheme of arrangement resulting in any person holding Shares in the capital of the Company) and resulting in that person together with all persons (if any) acting in concert (within the meaning of the City Code on Takeovers

and Mergers) with such person together holding a Controlling Interest in the Company, in circumstances whereby the Shareholders own less than fifty per cent. (50%) of the voting shares of such person following the sale or transfer;

“**Special Directors**” means such Directors of the Company as are nominated by the Nominating Investor from time to time pursuant to Article 22, and “**Special Director**” shall mean any one of them;

“**Subscription Price**” means, in relation to any Share, the amount paid up or credited as paid up thereon (including the full amount of any premium at which such Share was issued whether or not such premium is applied for any purpose thereafter), subject to adjustment in the event of a Capital Reorganisation in such manner (if at all) as is determined by the Auditors (acting as experts and not as arbitrators) (at the cost of the Company) to be fair and reasonable;

“**Subsidiary**” or “**Subsidiaries**” means any subsidiary or subsidiary undertaking;

“**Third Party Investor**” means a person who is neither a Shareholder, nor an Affiliate of a Shareholder, nor acting on behalf of, or as agent for a Shareholder or an Affiliate or Associate of a Shareholder;

“**Third Party Price**” has the meaning given to it in Article 5.1.1;

“**Tobacco Party**” means any entity that: (a) develops, sells or manufactures tobacco products; (b) generates the majority of its profits from the importation, marketing, sale or disposal of tobacco products; or (c) is an Affiliate of an entity referred to in (a) or (b) above;

“**Transfer Notice**” has the meaning given to it in Article 17.1.3;

“**Transfer Price**” has the meaning given to it in Article 17.1.3(c);

“**University**” means the Chancellor, Masters and Scholars of the University of Cambridge;

“**University Group**” means the University, Cambridge Enterprise Limited, Cambridge Innovation Capital plc (and its Affiliates), any Investment Fund that the University participates in and any Fund Manager of any such fund acting in the capacity of fund manager or nominee of the fund; and

“**WAP**” has the meaning given to it in Article 5.1.1.

2. APPLICATION OF MODEL ARTICLES AND INTERPRETATION

- 2.1 The Model Articles (together with those provisions of Schedule 3 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) shall apply to the Company, except for so far as they are modified or excluded by these Articles, and subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other articles or regulations set out in any statute or in any statutory instrument or other subordinate legislation.

- 2.2 Model Articles 7, 8, 9, 11 (2) and (3), 12, 13, 14, 16, 21, 22, 26(5), 32, 38, 39, 49, 50 and 51 to 53 (inclusive) shall not apply to the Company.
- 2.3 In Model Article 25.2(C), the words “evidence, indemnity and the payment of a reasonable fee” shall be deleted and replaced with the words “evidence and indemnity”.
- 2.4 In these Articles a reference to a statute or statutory provision includes, unless expressly provided otherwise:
- 2.4.1 any subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) made under it;
- 2.4.2 any repealed statute or statutory provision which it re-enacts (with or without modification); and
- 2.4.3 any statute or statutory provision which modifies, consolidates, re-enacts or supersedes it.
- 2.5 In these Articles, where the context admits:
- 2.5.1 words and phrases the definitions of which are contained or referred to in the Companies Acts shall have the meanings thereby respectively attributed to them;
- 2.5.2 every reference to a particular statutory provision or other law shall be construed as a reference to all other laws, rules and regulations made under the law referred to and to all such laws as amended, re-enacted, consolidated or replaced or as their application or interpretation is affected by other laws, rules or regulations from time to time and whether before or after the date of Adoption;
- 2.5.3 references to the singular shall include the plural and vice versa and references to the masculine, the feminine and the neuter shall include each other such gender;
- 2.5.4 except where otherwise stated in these Articles, “**Person**” includes any individual, partnership, body corporate, corporation sole or aggregate, state or agency of a state, and any unincorporated association or organisation, in each case whether or not having separate legal personality;
- 2.5.5 general words shall not be given a restrictive meaning because they are followed by words which are particular examples of the Companies Acts, matters or things covered by the general words and the word “**including**” shall be construed without limitation;
- 2.5.6 “**Company**” includes any body corporate;
- 2.5.7 for the purposes of the definition of a “**Compulsory Transfer Event**” every reference to an English legal term for any action, remedy, method or judicial proceedings legal document, legal status, court, official, or any other legal concept shall, in respect of any jurisdiction other than England be deemed to include the legal term which most nearly approximates in that jurisdiction to the English legal term;
- 2.5.8 “**consultant**” includes: (i) a person engaged directly by the Company or any of its Affiliates to provide services to either of them; and (ii) a person (an “**Indirect Consultant**”) employed or engaged by a third party (a “**Service Company**”) to work in, including but not limited to, the provision of services on behalf of such Service Company to the Company or any of its

Affiliates, where that Service Company is engaged by the Company or any of its Affiliates to provide such services; and

- 2.5.9 with respect to an Indirect Consultant, in the definition of Bad Leaver: (i) reference to “*circumstances that would allow such engagement to be terminated*” shall be construed to include all circumstances that may result in the cessation of the provision of services by the Indirect Consultant to the Company or any of its Affiliates (including, without limitation, termination of any agreement or employment agreement with his Service Company); and (ii) reference to “*such person’s fraud, dishonesty, gross misconduct, material breach of obligation, or other circumstance by reason of which such person may be summarily dismissed*” shall be construed as meaning “*the Indirect Consultant’s (and/or his Service Company’s) fraud, dishonesty, gross misconduct, material breach of obligation, circumstance by reason of which such Indirect Consultant’s engagement may be summarily terminated, or other circumstance by reason of which the engagement of the Service Company may be summarily terminated*”.

2.6 **Headings**

The headings and sub-headings are inserted for convenience only and shall not affect the construction of these Articles.

2.7 **Liability of Shareholders**

The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by him.

2.8 **Private Company**

The Company is a private company within the meaning of section 4 of the Act and accordingly no Shares in or debentures of the Company shall be offered to the public (whether for cash or otherwise) and the Company shall not allot (whether for cash or otherwise) any Shares in or debentures of the Company with a view to all or any of those Shares or debentures being offered for sale to the public, provided that these restrictions shall cease to apply upon the Company being re-registered as a public company.

3. **OBJECTS AND SHARE CAPITAL**

3.1 **Objects**

The objects of the Company are unlimited.

3.2 **Share Capital**

- 3.3 The share capital of the Company is comprised of Ordinary Shares and Series A Shares. No limit shall apply to the amount of the Company’s share capital.

3.4 **No voting rights on Nil Paid Shares**

No voting rights attached to a Share which is nil paid may be exercised:

- 3.4.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or

- 3.4.2 on any proposed written resolution, unless all or some of the amounts payable to the Company in respect of that Share have been paid.

3.5 **Fractions of Shares**

Whenever as a result of a consolidation of Shares any Holders would become entitled to fractions of a Share, the Directors may, on behalf of those Holders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Holders, and the Directors may authorise some person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

3.6 **Commission**

The Company may pay any person a commission in consideration for that person:

- 3.6.1 subscribing, or agreeing to subscribe, for Shares; or
- 3.6.2 procuring, or agreeing to procure, subscriptions for Shares.
- 3.7 Any commission payable by the Company may be paid:
 - 3.7.1 in cash, or in fully paid or partly paid Shares or other securities, or partly in one way and partly in the other; and
 - 3.7.2 in respect of a conditional or an absolute subscription.

3.8 **Purchase of own shares**

Subject to the Act but without prejudice to any other provision of these Articles, the Company may purchase its own shares in accordance with Chapter 4 of Part 18 of the Act, including (without limitation) with cash up to any amount in a financial year not exceeding the lower of:

- 3.8.1 £15,000; and
- 3.8.2 the value of five per cent. (5%) of the Company's share capital.

4. **LIQUIDATION PREFERENCE**

4.1 **Liquidation Event**

- 4.1.1 On a Liquidation Event, the Available Assets shall be applied among, and distributed to the Holders of Shares in the following order of priority:
 - (a) *first*, in paying the Holders of Series A Shares (not including any Shares issued pursuant to Article 5) an amount per Series A Share equal to the Subscription Price in respect of each Series A Share held by such Holder, together with a sum equal to any Arrears on such Series A Shares calculated down to and including the date of

the return of capital (less any receipts, including any dividends and/or distributions, received by such Holders between the date of Adoption of these Articles and the Liquidation Event), save that if the Available Assets are not sufficient to distribute in full the amounts so due in respect of all Series A Shares, then the Available Assets (if any) shall be distributed *pro rata* as between the Holders of Series A Shares in proportion to the Subscription Price in respect of each Series A Share held (and no distribution shall be made pursuant to Article 4.1.1(b)); and

- (b) *thereafter*, in paying any balance, if any (after accounting in full for the application of proceeds under Articles 4.1.1(a)) to the Holders of Series A Shares and the Holders of Ordinary Shares *pro rata* on an As Converted Basis as if they constituted one and the same class (less any receipts, including any dividends and/or distributions, received by such Holders between the date of Adoption of these Articles and the Liquidation Event).

4.2 Business Sale

As soon as practicable following receipt of the consideration payable to the Company in respect of a Business Sale, the Company shall (unless notified otherwise by Majority Consent) distribute the Available Assets to the Holders by means of a dividend or other distribution constituting a Liquidation Event in accordance with the priorities set out in Article 4.1. For the purposes of effecting such distribution, the Directors shall have authority to procure the liquidation of the Company or to distribute the Available Assets to the Holders by way of dividend or otherwise. The provisions of this Article 4 shall take precedence over Article 9 and all other provisions of these Articles which may otherwise conflict with the provisions of this Article.

4.3 Share Sale

- 4.3.1 Unless dis-applied with Majority Consent (where such dis-application affects all Holders in the same manner and *pro rata* to their number of Shares) on a Share Sale, the aggregate proceeds of such Share Sale (the “**Sale Proceeds**”) shall be distributed in the order of priority set out in Article 4.1 and the Directors shall not register any transfer of Shares if the Sale Proceeds are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Sale Proceeds 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 Sale Proceeds that are settled have been distributed in the order of priority set out in Article 4.1; and
- (b) the Shareholders shall take any action required by Pioneer to ensure that the Sale Proceeds in their entirety are distributed in the order of priority set out in Article 4.1.

- 4.4 If any available assets on a Liquidation Event, Business Sale or Share Sale include: (i) any non-cash assets or proceeds (“**Non-Cash Consideration**”); and/or (ii) any deferred and/or contingent assets or proceeds (“**Delayed Consideration**”) then Articles 4.1, 4.2 and 4.3, as the case may be, shall apply to such Non-Cash Consideration and/or Delayed Consideration in such manner as the Board (acting reasonably and in good faith) may determine, *provided that*, with respect to Articles 4.1, 4.2 and 4.3, the potential value of any Delayed Consideration

shall be excluded for the purposes of calculating any distribution to be made as at the date of such Liquidation Event, Business Sale or Share Sale (as the case may be), and if such Delayed Consideration is subsequently distributed, then as at the time of such distribution, the entitlement of each Holder of Shares in accordance with Articles 4.1, 4.2 and 4.3 (including the amounts previously distributed plus the Delayed Consideration to be then distributed) shall be recalculated and distributed so as to make good any shortfall between the amounts previously distributed and the amounts to which each such Holder is entitled pursuant to these Articles.

- 4.5 The Company shall not have the power to effect any transaction constituting or deemed to be a Share Sale (a **"Deemed Liquidation Event"**) unless the applicable transaction agreement provides that the consideration payable to the Shareholders shall be allocated among the Shareholders in accordance with Article 4.3.
- 4.6 Prior to any distribution of proceeds provided for in this Article 4, the Company shall not expend or dissipate the consideration received for any Liquidation Event, Business Sale, Share Sale or Deemed Liquidation Event, except to discharge any expenses incurred by the Company in such transaction.

5. ANTI-DILUTION

5.1 Weighted average anti-dilution

- 5.1.1 On each occasion that the Company is unconditionally obliged to issue or does issue any Relevant Securities (other than: (i) pursuant to a Permitted Capitalisation Issue or otherwise pursuant to this Article 5.1.1; (ii) pursuant to any option granted from the Equity Award Pool, each in accordance with the terms of the Investment and Shareholders' Agreement; (iii) any Ordinary Shares allotted from the Equity Award Pool or (iv) any Series A Shares being issued pursuant to the Investment and Shareholders' Agreement) (a **"Relevant Issue"**) where, in the case of an issue (for cash or non-cash consideration) of Shares the issue is made at a price of less than £1.00 per Share (the **"Benchmark Price"**) or, in the case of the issue of Relevant Securities (other than Shares), where the consideration received by the Company in respect of the Relevant Issue and any subsequent consideration (if any) received by the Company in connection with the issue of Share(s) pursuant to the terms of such Relevant Securities, are together equal to a price per Share which is less than the Benchmark Price (such price, in each case, being referred to as the **"Third Party Price"**), then the Company shall (to the extent that it is lawfully able to do so) issue to each Holder of Series A Shares by way of a Capitalisation Issue such number of additional Series A Shares as would result in such Holder of Series A Shares holding such number of Series A Shares (after taking into account any Series A Shares held by it which were previously issued under this Article 5.1.1) as it would hold if the aggregate amount of the Subscription Price in respect of all Series A Shares then held by such Holder of Series A Shares were applied wholly in subscribing for Series A Shares at the weighted average subscription price for the Relevant Issue (**"WAP"**) as calculated as set out below.

In this Article 5.1:

"WAP" means the weighted average subscription price in respect of the Relevant Issue, being:

$$WAP = \frac{N_1 P_1 + N_2 P_2}{N_1 + N_2}$$

- “P1” = the Benchmark Price.
- “N1” = the total number of Shares (not including any Shares issued pursuant to this Article 5) (on an As Converted Basis) in issue immediately prior to the Relevant Issue and the maximum number of Shares (on an As Converted Basis) which may fall to be issued in respect of Relevant Securities (other than Shares) where the same are outstanding immediately prior to the Relevant Issue.
- “P2” = the Third Party Price.
- “N2” = the total number of Shares (on an As Converted Basis) to be issued in the Relevant Issue and the maximum number of Shares (on an As Converted Basis) which may fall to be issued in respect of any Relevant Securities (other than Shares) comprised in the Relevant Issue.

To the extent that it is not lawful for the Company to make such a Capitalisation Issue to a Holder of Series A Shares pursuant to this Article 5.1.1, the Company shall instead offer to such Holder of Series A Shares the right to subscribe, nil paid, for such number of Series A Shares as would otherwise have been due to be issued to such Holder of Series A Shares pursuant to this Article 5.1.1 by way of Capitalisation Issue had it been lawful for the Company to do so.

- 5.1.2 In the event of a Relevant Issue comprising Relevant Securities conferring a right to subscribe or exchange for, or convert into, or otherwise call for, the issue of any Shares where the number of Shares issuable pursuant to the terms of the Relevant Issue is not immediately ascertainable (because, for example but without limitation, the exercise or conversion rate is variable according to a formula), then: (i) the number of Series A Shares (if any) to be issued pursuant to this Article 5.1 shall be determined by the Board (acting reasonably and in good faith) and approved by Majority Consent; or (ii) if so determined by the Board (acting reasonably and in good faith) and approved by Majority Consent (or otherwise in the absence of a Board determination approved by Majority Consent for the purposes of (i)) then the application of Article 5.1.1 may be postponed in respect of such Relevant Issue until such time or times as Shares are actually issued pursuant to the terms of such Relevant Securities, whereupon the number of Series A Shares (if any) to be issued pursuant to Article 5.1.1 shall be determined on the basis of the number of Shares actually issued.
- 5.1.3 In the event of a Capital Reorganisation an Independent Expert (acting as an expert and not an arbitrator) shall determine whether it is fair and reasonable to adjust the Benchmark Price and, if so determined, the Benchmark Price shall be adjusted in such manner as is determined by the Independent Expert (acting as an expert and not as an arbitrator) to be fair and reasonable. The Independent Expert’s fees and expenses shall be paid by the Company.
- 5.1.4 The provisions of this Article 5.1 may from time to time be disapplied or suspended (in whole and not in part) with Majority Consent.

6. CONVERSION

6.1 Voluntary Conversion

- 6.1.1 Each Holder of Series A Shares may at any time convert all, or any part of, its holding of Series A Shares into a number of Ordinary Shares calculated as follows:

$$Z = W \times X$$

Where:

- W = the applicable Conversion Ratio;
X = the number of the Series A Shares to be converted; and
Z = the number of Ordinary Shares into which the Series A Shares to be so converted shall so convert.

- 6.1.2 Such right of conversion may be effected by notice in writing given to the Company signed by the Holder of the relevant Series A Shares.

- 6.1.3 A conversion under Article 6.1.1 shall take effect immediately upon the date of delivery of a notice to the Company in accordance with Article 6.1.2 (unless such notice states that the conversion is to be effective when any conditions specified in the notice have been fulfilled in which case conversion shall take effect immediately upon the satisfaction of such conditions).

6.2 Automatic Conversion on a Qualified Listing and with Majority Consent

All of the Series A Shares in issue shall automatically be converted into a number of Ordinary Shares calculated in accordance with Article 6.1.1 (and, where so required by Article 6.3.6, a number of Deferred Shares calculated in accordance with the said Article 6.3.6) immediately: (i) prior to a Qualified Listing; or (ii) upon Majority Consent being served on the Company requiring that all Series A Shares be so converted into Ordinary Shares, and all Relevant Securities (excluding Shares) conferring any right to acquire Series A Shares shall automatically as from the time of such Qualified Listing or receipt by the Company of such Majority Consent, as the case may be, instead take effect as a right to acquire a number of Ordinary Shares calculated in accordance with Article 6.1.1 by reference to the number of Series A Shares which would otherwise have been acquired pursuant to such Relevant Securities.

6.3 General

- 6.3.1 Forthwith upon a conversion taking effect the Holders of the resulting Ordinary Shares shall send to the Company the certificates in respect of their respective holdings of Series A Shares. Following each receipt of the certificate for Series A Shares or an indemnity in favour of the Company in respect of a lost certificate, the Company shall issue to the Holder thereof a certificate for the Ordinary Shares resulting from the conversion of such Series A Shares.
- 6.3.2 The Ordinary Shares resulting from a conversion pursuant to this Article 6 shall rank from the date of conversion *pari passu* in all respects with the other Ordinary Shares in the Company.

6.3.3 Nothing in this Article 6.3 shall entitle any person to any fraction of any Share and any such fraction of Series A Share shall be disregarded and may be otherwise applied by the Company at the discretion of the Directors in accordance with the Companies Acts.

6.3.4 Immediately upon a conversion pursuant to a Qualified Listing in accordance with Article 6.2, all Arrears in respect of the Series A Shares so converted shall be capitalised into Ordinary Shares which Ordinary Shares the Company shall immediately allot and issue (together with Share certificates in respect thereof) to each Holder of Series A Shares so converted. The number of Ordinary Shares to be so allotted and issued to each such Holder (the “**Relevant Holder**”) shall be calculated as follows:

$$J = \frac{K}{L}$$

J = number of Ordinary Shares to be issued to the Relevant Holder;

K = the aggregate of all Arrears in respect of all Series A Shares to be so converted and held by the Relevant Holder; and

L = the Listing Price.

If the number, “J”, calculated in accordance with this Article 6.3 is not a whole number, the number of Ordinary Shares to be actually issued and allotted by the Company to the Relevant Holder in respect of a capitalisation of the aggregate of all Arrears in respect of the Series A Shares to be so converted and held by the Relevant Holder shall be such whole number as is closest to, but less than, J (and the balancing fraction of such Series A Share shall be disregarded and any corresponding Arrears shall cease to be payable).

6.3.5 In the event that a Capital Reorganisation or Capitalisation Issue (other than a Permitted Capitalisation Issue) shall take place whilst any Series A Shares remain unconverted an Independent Expert (acting as an expert and not as an arbitrator) shall determine whether it is fair and reasonable to adjust the Conversion Ratio in respect of all those Series A Shares and, if so determined, the Conversion Ratio shall be adjusted in such manner as is determined by the Independent Expert (acting as an expert and not an arbitrator) to be fair and reasonable. The Independent Expert’s fees and expenses shall be paid by the Company.

6.3.6 If the aggregate nominal value of Series A Shares to be converted into Ordinary Shares exceeds the aggregate nominal value of the Ordinary Shares into which such Series A Shares are to be converted, then the excess Series A Shares shall be converted into “Deferred Shares” having the rights set out in Article 6.4.

6.3.7 If the aggregate nominal value of Series A Shares to be converted into Ordinary Shares is less than the aggregate nominal value of the Ordinary Shares into which such Series A Shares are to be converted, then the Series A Shares to be converted shall be converted into an equal nominal value of Ordinary Shares and the shortfall in nominal value shall be paid up by the issue of additional Ordinary Shares by capitalisation of reserves or such other manner as the Directors may determine, subject to applicable laws.

6.4 **Deferred Shares**

6.4.1 Notwithstanding any other provision of these Articles to the contrary, Deferred Shares: (i) carry no right to payment of any dividend or to receive notice of or to attend, speak or vote at

any general meeting of the Company or on a return of capital (whether on a winding up or otherwise) to the repayment of the amount paid up on such Deferred Shares until after the repayment in full of the amount paid up on the Ordinary Shares together with the payment of £1,000,000 on each such Ordinary Share whereupon the Deferred Shares shall carry the right to repayment of the nominal capital paid up thereon and no more; and (ii) shall not be transferable without the consent of the Company.

- 6.4.2 Each holder of Deferred Shares shall be deemed to have conferred irrevocable authority on the Company at any time to appoint any person, for and on behalf of such holder, to:
- (a) receive notice of, attend and vote at any meeting of the class of Deferred Shares and sign any written resolution of such class;
 - (b) agree and execute any transfer of (and any agreement to re-purchase transfer or otherwise dispose of) some or all of the Deferred Shares to such persons as the Company may determine (including, without limitation, the Company itself);
 - (c) agree to sell or cancel all of the Deferred Shares then in issue for not more than one penny for all such Deferred Shares; and/or
 - (d) receive any consideration payable upon a transfer or re-purchase made pursuant to (b) or (c) above, in each case without obtaining the sanction of the holders, of such Deferred Shares, and in respect of any transfer and/or purchase; and to retain the certificate(s) for such Deferred Shares.
- 6.4.3 The Company may at its option re-purchase all of the Deferred Shares then in issue, at a price not exceeding one penny (in aggregate) for all such Deferred Shares purchased at any one time.
- 6.4.4 Notwithstanding any other provisions of these Articles, entering into a contract to purchase, and the purchase of, Deferred Shares shall not require the sanction of a resolution passed at a meeting of the holders of the Deferred Shares or any other consent of such holders.
- 6.4.5 In the event of any conflict or inconsistency between this Article 6.4 and any other provision of these Articles, this Article 6.4 shall prevail in respect of any matter relating to the Deferred Shares.

7. VOTING

7.1 Number of votes

Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with these Articles:

- 7.1.1 each Ordinary Share shall, on a poll, carry one vote per share;
- 7.1.2 each Series A Share shall, on a poll, carry one vote per share (on an As Converted Basis); and
- 7.1.3 each Deferred Share shall carry no vote.

7.2 Exercise of votes

Votes on Shares may be exercised:

- 7.2.1 on a show of hands, by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative, not being himself a member (in which case each Shareholder shall have one vote); and
- 7.2.2 on a poll, by every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Shareholder shall have that number of votes attributable to the Shares held by him or in respect of which he has been appointed an authorised representative or proxy as is set out in Article 7.1).

7.3 Certain Shares not to carry votes

Notwithstanding Articles 7.1 and 7.2, Shares the subject of a Compulsory Transfer Notice shall temporarily cease to carry any voting rights or give the Holder thereof the right to attend or receive notice of any meetings of the Company until such Shares are transferred and registered in the name of another Holder in accordance with these Articles. The temporary cessation of voting rights and the right to attend or receive notice of any meetings of the Company, shall not constitute such Shares a class of Shares separate from the classes of voting Shares.

7.4 Removal of Special Directors

Article 22.1.2 shall apply in respect of any resolution (proposed pursuant to section 168 of the Act or otherwise) to remove a Special Director from office.

8. VARIATION OF CLASS RIGHTS

- 8.1 Subject to Article 8.2, whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may (subject to the Companies Acts, and in particular section 630 of the Act) 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 not less than seventy five per cent. (75%) of the issued Shares of that class.
- 8.2 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 special rights attached to the Ordinary Shares.
- 8.3 Without prejudice to the generality of Article 8.1 the special rights attached to the Series A Shares shall be deemed to be varied by the Company:
- 8.3.1 amending its Articles of Association;
- 8.3.2 varying in any way (whether directly or indirectly) the rights attached to any of the Shares in the capital of such company from time to time;
- 8.3.3 capitalising any reserves of such company or the applying of any amount for the time being standing to the credit of the share premium account or capital redemption reserve of such company for any purpose (other than pursuant to a Permitted Capitalisation Issue); or
- 8.3.4 altering, increasing, reducing, sub-dividing, cancelling, purchasing, or consolidating the whole or part of its issued share capital (other than: (i) any issue of Shares made pursuant to

the Investment and Shareholders' Agreement; (ii) a Permitted Capitalisation Issue; (iii) pursuant to any Ordinary Shares issued upon exercise of any option granted from the Equity Award Pool; (iv) any allotment of Ordinary Shares from the Equity Award Pool; and (v) any conversion of Series A Shares into Ordinary Shares in accordance with Article 6).

9. DIVIDENDS

9.1 Dividends and other distributions to be paid *pro rata*

9.1.1 All dividends and other distributions shall be paid to all Holders of Shares *pro rata* to the number of Shares held on an As Converted Basis by each such person and shall not be paid without Majority Consent.

9.1.2 Article 9.1.1 shall not apply to a dividend or other distribution which:

- (a) occurs as a result of a Liquidation Event, Business Sale or Share Sale, which shall be distributed in accordance with Article 4; or
- (b) which is a Permitted Capitalisation Issue.

10. GENERAL MEETINGS

10.1 The quorum for any general meeting shall be two (2) Shareholders, including Pioneer and CRT, each being a Shareholder in person or a proxy or authorised representative appointed by one or more Shareholders, unless the Company has only one Shareholder, when the quorum shall be one such person. Two or more persons being or representing or being a proxy for the same Shareholder shall count as one person.

10.2 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, the meeting shall stand adjourned to the same day in the next week at the same time and place or such date and time as the Board may determine. Article 41(1) of the Model Articles shall not apply. Article 41(4) of the Model Articles shall only apply to meetings adjourned under Article 41(2) of the Model Articles.

10.3 If at any general meeting any votes are counted which ought not to have been counted, or are not counted which ought to have been counted, the error shall not vitiate the result of the voting unless:

10.3.1 it is pointed out at the same meeting; and

10.3.2 it is, in the opinion of the chairman of the meeting, of sufficient magnitude to affect the result of the voting.

10.4 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.

10.5 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 fourteen (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. Article 44(4) of the Model Articles shall not apply.

- 10.6 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.
- 10.7 If the poll is to be held more than forty-eight (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 twenty-four (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.
- 10.8 Proxies may only validly be appointed by a notice in writing (a "**Proxy Notice**") which:
 - 10.8.1 states the name and address of the Shareholder appointing the proxy;
 - 10.8.2 identifies the person appointed to be that Shareholder's proxy and the general meeting in relation to which that person is appointed;
 - 10.8.3 is signed by or on behalf of the Shareholder appointing the proxy, or is authenticated in such manner as the Board may determine; and
 - 10.8.4 subject to Article 10.5, is either handed to the chairman any time before the start of the relevant meeting or delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 10.9 Article 45(1) of the Model Articles shall not apply.
- 10.10 If a Proxy Notice is executed on behalf of the Shareholder appointing the proxy, it must be accompanied by written evidence of the authority (being the original or such evidence as the Board deems appropriate) of the person who executed it to execute it on the appointor's behalf. Article 46(4) of the Model Articles shall not apply.

11. ISSUES OF RELEVANT SECURITIES

Subject to the provisions of the Companies Acts, any resolutions passed by Shareholders varying any authority and/or power conferred on the Directors pursuant to section 551 of the Act, the terms of the Investment and Shareholders' Agreement and these Articles having been duly and properly complied with:

11.1 Authority to allot

- 11.1.1 The Directors shall be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise all the powers of the Company to allot Relevant Securities up to an aggregate nominal amount equal to the amount specified by any resolutions passed by the Shareholders on or after the date of Adoption.
- 11.1.2 Without prejudice to any authority otherwise conferred on the Directors (whether pursuant to this Article 11.1 or any resolution passed by the Shareholders), the Directors may not exercise any power of the Company to allot Shares, or grant any rights to subscribe for or convert any

security into Shares, where such authority is conferred solely by section 550 of the Act (notwithstanding that the Company may at the relevant time be a private company having only one class of Share).

11.2 **Disapplication of the statutory pre-emption rights**

The statutory pre-emption rights contained in section 561 of the Act shall not apply to the Company.

11.3 **Authority to make offers or agreements which might require future allotments**

By the authority and power conferred by Article 11.1, the Directors may, during the period specified by the resolution passed by the Shareholders on or after the date of Adoption, make offers or agreements which would or might require the allotment of Relevant Securities after such period expires and in such circumstances the Directors may allot securities in pursuance of that offer or agreement as if such authority and power had not expired.

11.4 **Prohibition on allotments**

Notwithstanding any other provision of these Articles, no Share may be allotted or issued to a Tobacco Party.

12. **PRE-EMPTION RIGHTS ON ISSUE OF SHARES AND OTHER RELEVANT SECURITIES**

12.1 **Pre-emption rights**

- 12.1.1 Unless otherwise agreed by special resolution passed in general meeting or as a written resolution passed in accordance with part 13 of the Act, if the Company proposes to allot or issue any Shares or other Relevant Securities (together, “**New Securities**”), those New Securities shall not be allotted or issued to any person unless the Company has in the first instance offered such New Securities to the Holders of Series A Shares and the Holders of Ordinary Shares on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the number of Series A Shares and/or Ordinary Shares held by such Holders (as nearly as may be without involving fractions). The offer:

- (a) shall be in writing, give details of the number and subscription price of the New Securities; and
- (b) may stipulate that any Holder of Series A Shares and/or Ordinary Shares who wishes to subscribe for a number of New Securities in excess of the proportion to which such Holder is entitled shall in their acceptance state the number of excess New Securities (the “**Excess Securities**”) for which they wish to subscribe.

- 12.1.2 Any New Securities not accepted by Holders of Series A Shares and/or Ordinary Shares pursuant to the offer made to them in accordance with Article 12.1.1 shall be used for satisfying any requests for Excess Securities made pursuant to Article 12.1.1 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 Shares held by the applicants immediately prior to the offer made to the relevant Holders in accordance with Article 12.1.1 (as nearly as may be without involving fractions or increasing the number allotted to any such

Holder beyond that applied for by him) and after that allotment, any Excess Securities remaining shall be offered to any other person as the Directors may determine at the same price and on the same terms as the offer to the Holders of Series A Shares and/or Ordinary Shares.

12.1.3 Subject to Articles 12.1.1 and 12.1.2 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, provided that the allotment or grant to that person must be supported in writing by Majority Consent.

12.1.4 The provisions of Articles 12.1.1 to 12.1.3 shall not apply to:

- (a) any subscription for Shares made pursuant to the Investment and Shareholders' Agreement;
- (b) a Permitted Capitalisation Issue;
- (c) any Ordinary Shares issued upon exercise of any option granted from the Equity Award Pool; or
- (d) any Ordinary Shares allotted from the Equity Award Pool.

12.1.5 Any offer of New Securities pursuant to this article 12.1 shall be offered on terms which enables CRT to assign all or any rights under the offer to one or more of the University Group (thereby enabling one or more of the University Group nominated for such purposes by CRT to accept all or part of the offer and purchase the relevant New Securities in addition to, in lieu of or on behalf of CRT).

12.2 **No other issues**

Subject to Article 12.3, the Company shall not issue Relevant Securities save in compliance with this Article 12.

12.3 **Fractions**

An entitlement to any fraction of any Relevant Security pursuant to this Article 12 may, at the option of the Company, be disregarded.

12.4 **Termination of Rights**

The rights set out in this Article 12 shall cease upon a Share Sale or Qualified Listing and in relation to a particular Shareholder, upon that Shareholder ceasing to hold any Shares.

13. **TRANSFER OF SHARES**

13.1 **Method of transfer**

Subject to Articles 13.2, 13.5 and 13.7:

13.1.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the Directors, which is executed by or on behalf of the transferor or, if the Share is nil or partly paid, by or on behalf of both the transferor and the transferee.

13.1.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any Share.

13.1.3 The Company may retain any instrument of transfer which is registered.

13.1.4 The transferor remains the Holder until the transferee's name is entered in the register of members as Holder of it.

13.2 Transfers restricted

No Member may transfer any Share except in accordance with Article 14 (*Transfers with Shareholder Approval*), Article 15 (*Permitted Transfers*), Article 16 (*Compulsory Transfers*), Article 17 (*Pre-emption Rights on the Transfer of Shares*), Article 18 (*Co-Sale Rights*) or Article 19 (*Drag Rights*) and any purported transfer in breach of this Article 13.2 shall be of no effect.

13.3 No transfers to a Tobacco Party

Notwithstanding any other provision of these Articles, no Member may transfer any Share to a Tobacco Party.

13.4 Transfers or grants of interests

References in Articles 13.2 and 13.3 to a transfer of any Share includes a transfer or grant of any interest in any Share or of any right attaching to any Share, whether by way of sale, gift, holding on trust, charge, mortgage or pledge, or in any other way, and whether at law or in equity, and also includes an agreement to make any such transfer or grant or to exercise the voting rights attaching to a Share at the direction of any third party.

13.5 Director's powers to refuse to register transfers

The Directors shall refuse to register a transfer of Shares:

13.5.1 prohibited by these Articles;

13.5.2 not effected in accordance with these Articles;

13.5.3 where legal title to such Shares is purportedly transferred to a child under eighteen (18) years of age;

13.5.4 the transfer is in respect of more than one (1) class of shares or is in favour of more than four (4) transferees; and/or

13.5.5 where (unless otherwise approved in writing by Majority Consent) the Directors are aware that any of the circumstances described in Article 16.1.1(a) to 16.1.1(e) inclusive apply in respect of the proposed transferee.

The Directors shall not otherwise be entitled to refuse to register any transfer of Shares.

13.6 Investigations as to rights or requirements to transfer

For the purpose of ensuring that a particular transfer of Shares is permitted under the provisions of these Articles or that no circumstances have arisen whereby a Compulsory

Transfer Notice may be given or is deemed to have been given under these Articles, the Directors may from time to time require any Holder or past Holder (or a joint Holder or joint past Holder or the personal representatives, trustee in bankruptcy, liquidator, administrator or receiver of any such Holder or past Holder), or any person becoming entitled to Shares on a transmission of those Shares, or in the case of any proposed transfer, any proposed transferee, to supply to the Company such information as they may reasonably think relevant for the purpose of determining whether: (a) there has been a breach of these Articles; (b) a Compulsory Transfer Event has occurred; (c) the proposed transfer is permitted under the Articles; or (d) whether a Transfer Notice should be deemed to have been served. Unless that information is supplied within twenty (20) Business Days of the date of the request, the Directors may declare that until such time as the information so requested is provided to the Company the Shares in question shall be subject to the restrictions set out in sections 797(1)(a)-(d) of the Act and the Directors may refuse to register any transfer of the relevant Shares.

13.7 Registration of transfers

Unless under these Articles the Directors have an express discretion or are obliged to refuse to register the transfer of any Share, the Directors shall register all transfers of Shares permitted by or effected in accordance with these Articles within twenty (20) Business Days of the following being lodged at the registered office of the Company (or such other place in the United Kingdom as the Directors may have notified to Holders of Shares for such purpose):

- 13.7.1 the duly stamped transfer (or transfer certified as being exempt from stamp duty);
- 13.7.2 the certificates for the Shares to which the transfer relates or an indemnity in lieu of the certificates in a form reasonably satisfactory to the Directors;
- 13.7.3 evidence that each proposed transferee has first agreed to be bound, in accordance with its terms, by any applicable provisions of the Investment and Shareholders' Agreement then in force with effect from the date of the transfer (if the transferor is bound by the terms of such shareholders' agreement and required pursuant thereto to procure that the transferee so agrees to be bound by the terms thereof); and
- 13.7.4 such information (if any) as the Company may have requested pursuant to Article 13.6 in respect of the proposed transferee.

14. TRANSFERS WITH SHAREHOLDER APPROVAL

Notwithstanding any other provisions of these Articles (save for Article 13.3) a purported transfer by an Employee Member of any Shares or Relevant Securities must be approved by Majority Consent other than in respect of the Founder for whom no majority Consent is required.

15. PERMITTED TRANSFERS

15.1 Permitted Transferees

Unless otherwise prohibited by these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall (subject to Article 13.5 and Article 13.7) be registered by the Directors:

- 15.1.1 a transfer of up to fifty per cent (50%) of the entire legal and beneficial interest in any Shares by a Holder (being an individual who does not hold the Shares concerned as a trustee) to a Privileged Relation (aged 18 or over) of such Holder;
- 15.1.2 a transfer of up to fifty per cent (50%) of the legal interest in any Shares by a Holder (being an individual who does not hold the Shares concerned solely as a trustee) to the trustees of a Family Trust (acting in that capacity) of such Holder and a transfer of the beneficial interest in any Share by a Holder (being an individual who does not hold the Shares concerned solely as a trustee) to the beneficiaries of any Family Trust of such Holder where the legal interest in such Share is held by the trustees of such Family Trust (in such capacity);
- 15.1.3 a transfer of up to fifty per cent (50%) of the legal interest in any Shares by any trustees of a Family Trust acting in that capacity to any other or new trustees of that Family Trust acting in that capacity;
- 15.1.4 a transfer of the entire legal interest in any Share by any trustees of a Family Trust acting in that capacity to any beneficiary of that trust (aged eighteen (18) or over) who has become absolutely entitled to the entire legal and beneficial interest in the Share proposed to be transferred;
- 15.1.5 a transfer of the entire legal and beneficial interest in any Share by a Shareholder to any of its Affiliates, provided that if the transferee ceases to be an Affiliate of its transferor the transferee shall on request by the Company re-transfer the Shares in question to its transferor (or a Permitted Transferee thereof) and failing such transfer, the Company may authorise some person to execute transfers of the relevant Shares in favour of such transferor (or a Permitted Transferee thereof) and may thereupon enter the name of such transferor (or a Permitted Transferee thereof) in the Register of Members as the Holder of such Shares; or
- 15.1.6 a transfer or series of transfers of the entire legal and beneficial interest of an aggregate of twenty three and seven tenths percent (23.7%) of the Ordinary Subscription Shares (as defined in the Investment and Shareholders' Agreement) issued to CRT in accordance with the Investment and Shareholders' Agreement (the "**CRT Threshold**") by CRT to any one or more of the University Group. For the avoidance of doubt, once CRT has transferred such number of shares to the University Group (whether pursuant to this Article 15.1.6 or otherwise) that is equal to the CRT Threshold, it shall not be entitled to transfer any further Shares to the University Group in accordance with this Article 15.1.6 (but it shall be entitled to transfer any such Shares in accordance with any other provision of these Articles).

15.2 Other transfers

Unless otherwise prohibited by these Articles, the following transfers may be made without restriction as to price or otherwise and any such transfers shall (subject to Article 13.5 and Article 13.7) be registered by the Directors:

- 15.2.1 any transfer by Pioneer to any member of its Group (and thereafter any transfer by any member of such person's Group to any other member of such person's Group), provided that if any such transferee ceases to be an Affiliate of its transferor it shall on request by the Company re-transfer the Shares in question to its transferor (or a Permitted Transferee thereof) and failing such transfer, the Company may authorise some person to execute transfers of the relevant Shares in favour of the original transferor (or a Permitted Transferee thereof) and may thereupon enter the name of such transferor (or a Permitted Transferee thereof) in the Register of Members as the Holder of such Shares;
- 15.2.2 a transfer of any Shares held by Pioneer (or a nominee of Pioneer) to the extent it is:
- (a) a person whose principal business is to make, manage or advise upon investments (being, where applicable, duly authorised to do so by the Financial Services Authority or other relevant regulator) (an "**Investment Manager**"); or
 - (b) a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager (an "**Investment Fund**"); or
 - (c) a nominee of an Investment Manager or an Investment Fund,
- to any of the following transferees:
- (d) where Pioneer is an Investment Manager or a nominee of an Investment Manager, to any person who is:
 - (i) a participant (directly or indirectly) or partner in or member of an Investment Fund which is managed by such Investment Manager (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund);
 - (ii) an Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor; or
 - (iii) any other Investment Manager who manages the business of the Investment Fund in respect of which the Shares are held; or
 - (iv) any other Investment Fund.
 - (e) where Pioneer is an Investment Fund, or a nominee of an Investment Fund, to any person who is:
 - (i) a participant (directly or indirectly) or partner in or member of such Investment Fund (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund);
 - (ii) any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor;
 - (iii) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor; or

- (iv) any other Investment Fund,
- (or, in the case of (d)(i) to (iii) or (e)(i) to (iii), a nominee of any such person).

16. COMPULSORY TRANSFERS

16.1 Compulsory Transfer Events

For the purposes of these Articles, a Compulsory Transfer Event shall occur unless otherwise approved in writing by the Board in relation to a Holder (other than Pioneer or CRT and, in the case of Pioneer only, its Permitted Transferees):

16.1.1 if that Holder being an individual:

- (a) makes any proposal under Part VIII Insolvency Act 1986 for a composition in satisfaction of his debts or a scheme of arrangement of his affairs, or makes any arrangement or compromise with his creditors generally;
- (b) has a bankruptcy order made against him;
- (c) dies (unless that Holder is a joint Holder) save to the extent such Shares are thereafter transferred to any Permitted Transferees of such deceased Holder and the Board approves such transfers;
- (d) by reason of his mental health he becomes the subject of an order of the court which wholly or partly prevents him from personally exercising any powers or rights he may otherwise have;
- (e) becomes the subject of any occurrence analogous to those in Articles 16.1.1(a) to 16.1.1(d) (whether or not such occurrence arises in England and Wales or in some other jurisdiction); or
- (f) in the case of a Holder who holds Shares by reason of a Permitted Transfer made to a Privileged Relation, if the Holder thereafter ceases to be a Privileged Relation (including, without limitation, by reason of divorce) of the transferor; or
- (g) where the Holder is a nominee holding the legal interest in such Shares, the person holding the beneficial interest in such Shares (legal title to which is held by such nominee): (a) becomes subject to a change of the person who has Control of it (other than if (and for so long as) the person(s) acquiring Control of the holder of such beneficial interest is a Permitted Transferee of the previous holder of such beneficial interest) or (b) is subject to a Compulsory Transfer Event (or would be subject to a Compulsory Transfer Event if such person were a Holder) (and in case of an event within (a) or (b) any Compulsory Transfer Notice shall be deemed to be served jointly by the nominee and the holder of the beneficial interest);

16.1.2 in the case of a Holder who holds Shares as trustee of a Family Trust, if he ceases to hold those shares on the terms of a Family Trust (other than in consequence of a transfer under Article 16.3) or holds them on trust for an individual in relation to whom a Compulsory Transfer Event has occurred; or

16.1.3 if an individual becomes a Leaver (or notice is given, or received, pursuant to which he will become a Leaver).

16.2 Notification of Compulsory Transfer Event

If a Compulsory Transfer Event occurs (or is due to occur), then the Holder to whom such event relates shall promptly notify the Board in writing (specifying such details of the Compulsory Transfer Event as the Board may reasonably require).

16.3 Compulsory Transfer Notices

16.3.1 Subject to Article 16.3.2 and Article 16.3.3, at any time prior to the date six (6) months after the Board has received all details concerning a Compulsory Transfer Event as the Board may reasonably require (or, if later, the date twelve (12) months from the occurrence of the Compulsory Transfer Event) the Board may determine that a Transfer Notice is deemed to have been served (being a Compulsory Transfer Notice) in respect of the entire legal and beneficial interest in all (or such other portion as may be determined by the Board) of the Shares held by the relevant Holder (and its Permitted Transferees and Associates, to the extent the Board determines that such Shares are to be so offered for transfer in connection with such Compulsory Transfer Event).

16.3.2 Where the Compulsory Transfer Event occurs (or is due to occur) under Article 16.1.3 and the relevant Leaver is a Bad Leaver, the Board may determine that a Compulsory Transfer Notice is deemed to have been served in respect of:

- (a) all Shares held by the Leaver; and
- (b) such Shares held by such Leaver's Permitted Transferees and Associates as the Board may determine.

16.3.3 Where the Compulsory Transfer Event occurs (or is due to occur) under Article 16.1.3 and the relevant Leaver is not a Bad Leaver, the Board may determine that a Compulsory Transfer Notice is deemed to have been served in respect of:

- (a) all Shares (other than Retained Shares) held by the Leaver; and
- (b) such Shares (other than Retained Shares) held by such Leaver's Permitted Transferees and Associates as the Board may determine.

16.3.4 Where any person has been (or was liable to have been) the subject of a Compulsory Transfer Event and such person subsequently acquires any interest in any Shares, a Compulsory Transfer Notice may, if so determined by the Board, be deemed to have been served by the Holder thereof in respect of such Shares.

16.3.5 Article 17 shall apply to all Shares which are the subject of a Compulsory Transfer Notice, except for Shares held by a Leaver (or Permitted Transferee or Associate of a Leaver). Article 16.7 shall apply to any Shares held by a Leaver (or Permitted Transferee or Associate of a Leaver) which are the subject of a Compulsory Transfer Notice.

16.4 Transfers to be at Market Value or Subscription Price

16.4.1 Subject to Article 16.4.2, the price of any Shares which are the subject of a Compulsory Transfer Notice deemed served pursuant to Article 16.3 shall be Market Value.

16.4.2 The price of any Shares which are held by a Leaver and which are the subject of a Compulsory Transfer Notice deemed served by such Leaver (and, to the extent so determined by the Board, each of his Permitted Transferees and Associates), shall be the lesser of:

- (a) the Subscription Price paid in respect of the relevant Share; and
- (b) the Market Value of the relevant Share.

16.5 Determination of Market Value

16.5.1 In respect of a transfer of Shares pursuant to a Compulsory Transfer Notice “**Market Value**” shall be the sale price of such Shares as agreed between the Board and the relevant transferor or as otherwise determined pursuant to this Article 16.5. A transferor may not subsequently retract his agreement as to any such sale price. If the Board and such transferor are unable to agree such sale price then the sale price shall, at the request of either party, instead be the price which an Independent Expert shall certify to be in his opinion the market value of the Shares to be transferred as at the date of its certificate. In arriving at this opinion prior to certifying the sale price, the Independent Expert will value the Shares on a going concern basis and assuming a sale between a willing seller and a willing buyer ignoring any reduction or increase in value which may be ascribed to the Shares by virtue of the fact that they represent a minority or majority or Controlling Interest and on the assumption that the Shares are capable of transfer without restriction. If the Independent Expert is asked to certify the sale price, his certificate shall be delivered to the Company. The certificate of the Independent Expert shall, (in the absence of fraud or manifest error), be binding on all persons. As soon as the Company receives the certificate it shall deliver a copy to the transferor. The fees and expenses of the Independent Expert shall be payable by the Company.

16.5.2 The Market Value of any Shares may be nil if so determined in accordance with this Article 16.5.

16.6 No withdrawal of Compulsory Transfer Notices

A Compulsory Transfer Notice deemed to have been given may not be withdrawn (other than with written approval of the Board and Majority Consent).

16.7 Company’s re-purchase of Leaver’s Shares

16.7.1 In respect of any Shares which are held by a Leaver (or Permitted Transferee or Associate of a Leaver) which are the subject of a Compulsory Transfer Notice, if so determined by the Board (with Majority Consent), the Company may (subject to the Act) re-purchase any such Shares (“**Re-Purchase Shares**”) at the applicable price as set out in Article 16.4.2. The Company may deal with any Re-Purchase Shares in accordance with Article 3.8.

16.7.2 The Company shall notify the relevant Leaver (or Permitted Transferee or Associate of the Leaver) of any proposed re-purchase of Shares pursuant to Article 16.7.1 and the date when such re-purchase shall be made, on which date the Leaver (or Permitted Transferee or Associate of the Leaver) shall sell with full title guarantee free from all encumbrances and third party interests the Re-Purchase Shares to the Company at the applicable price per share and:

- (a) the Leaver (or Permitted Transferee or Associate of the Leaver) shall deliver a duly executed instrument of transfer in respect of such Re-Purchase Shares to the Company together with the share certificate in respect thereof (or an indemnity in a form approved by the Board in respect of any lost or destroyed certificate); and
- (b) the Company shall pay to the Leaver (or Permitted Transferee or Associate of the Leaver) the aggregate price payable at the sale price in respect of the Re-Purchase Shares to be so re-purchased.

16.7.3 If the Leaver (or Permitted Transferee or Associate of the Leaver) defaults in complying with its obligations under Article 16.7.2 then the Board may authorise any person to execute transfers, and (where applicable) any indemnity in respect of any missing share certificate, on behalf of the Leaver (or Permitted Transferee or Associate of the Leaver) and deliver the same to the Company.

16.8 Retained Shares

16.8.1 In respect of any Leaver (or, if so determined by the Board, any Permitted Transferee or Associate of such Leaver), unless the relevant Leaver is a Bad Leaver, a proportion of the Shares held by such person may be designated “**Retained Shares**”.

16.8.2 Retained Shares shall be determined by the Board, and calculated by such method as agreed in writing between the Company and the relevant Holder (which calculation may include reference to different dates (including but not limited to the date of acquisition of such Shares) and/or different proportions of Shares held). If there is no agreement between the Company and a relevant Holder in respect of the calculation of Retained Shares, the Board shall, in its absolute discretion, determine the method of calculation in respect of the Shares held by such Holder.

16.8.3 Where a Leaver (and/or his Permitted Transferees and Associates) holds different classes of Shares and/or Shares with different dates of acquisition, then the applicable proportion of such Shares shall be severally determined in accordance with Article 16.8.2.

16.8.4 Retained Shares shall not constitute a separate class of share.

16.8.5 Where Shares held by a Permitted Transferee or Associate of a Leaver are to be designated Retained Shares, then the applicable proportion shall be by reference to such Shares (which may be some or all of the Shares held by such Holder) as the Board shall determine to be held by such Holder in connection with its being a Permitted Transferee or Associate of such Leaver.

17. PRE-EMPTION RIGHTS ON THE TRANSFER OF SHARES

17.1 Pre-emption

17.1.1 Save where the provisions of Articles 15 (*Permitted Transfers*), 16.7 (*Company's re-purchase of Leaver's Shares*), 18 (*Co-Sale Right*) or 19 (*Drag Rights*) apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 17.

17.1.2 Notwithstanding any other provision of these Articles, where a Shareholder wishes to transfer Ordinary Shares and such Ordinary Shares equate to less than two per cent. (2%) of the Ordinary Shares outstanding at the relevant time then such Shareholder shall first offer the

Ordinary Shares to the Company on the same terms as such Shareholder wishes to sell them to a third party. If the Company elects not to purchase the Ordinary Shares offered pursuant to this Article 17.1.2 in their entirety, or is prohibited by law or otherwise from doing so, the Shareholder may transfer such Ordinary Shares in accordance with the remaining provisions of these Articles.

17.1.3 Subject to Article 17.1.2, a Shareholder who wishes to transfer Shares (a “**Seller**”) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (a “**Transfer Notice**”) to the Company specifying:

- (a) the number of Shares which he wishes to transfer (the “**Sale Shares**”);
- (b) if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be the Market Value of the Sale Shares if no cash price is agreed between the Seller and the Board (including the Special Directors appointed by Pioneer)) (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**”).

17.1.4 Except by written Majority Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

17.1.6 Upon receipt of a Transfer Notice, the Company shall have the first option to purchase any Ordinary Shares the subject of such Transfer Notice at the Transfer Price. If, however, the Company elects within 30 days not to purchase all of such Ordinary Shares, or it is prevented by law or otherwise from doing so, it shall follow the procedure set out in the remainder of this Article 17. For the avoidance of doubt, the Company may not elect to purchase only a proportion of such Ordinary Shares as its right under this Article 17.1.6 is exercisable only if it elects to purchase all of the Ordinary Shares that comprise the Sale Shares specified in the Transfer Notice.

17.1.7 Subject to Article 17.1.6, 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 16.5.1,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 17.4 (inclusive). Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

17.2 **Priority of Offer**

Regardless as to whether the Sale Shares are Series A Shares or Ordinary Shares (or any other class of Share), the Company shall offer them in the following priority (the “**Priority Rights**”):

- (a) *first*, to the Holders of Series A Shares; and
- (b) *thereafter*, to the Holders of Ordinary Shares,

in each case on the basis as set out in Article 17.3.

17.3 **Transfers (First Offer)**

17.3.1 The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders specified in the offer other than the Seller (the “**Continuing Shareholders**”) inviting them to apply in writing within the period from the date of the offer to the date fifteen (15) Business Days after the offer (inclusive) (the “**First Offer Period**”) for the maximum number of Sale Shares they wish to buy.

17.3.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 17.3 and 17.4 will be conditional on the fulfilment of the Minimum Transfer Condition.

17.3.3 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 Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class of Shares bears to the total number of the relevant class of Shares held by those Continuing 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.

17.3.4 If not all Sale Shares are allocated in accordance with Article 17.3.3 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 17.3.3.

17.3.5 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 Continuing Shareholders in accordance with their applications and the balance (the “**Initial Surplus Shares**”) will be dealt with in accordance with Article 17.4.

17.4 **Transfers (Second Offer)**

17.4.1 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date fifteen (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.

17.4.2 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 Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Shares bears to the

total number of Shares (including Sale Shares) held by those Continuing 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.

- 17.4.3 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 Continuing Shareholders in accordance with their applications and the balance (the “**Second Surplus Shares**”) will be offered to any other person in accordance with Article 17.5.5.

17.5 **Completion of transfer of Sale Shares**

- 17.5.1 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 17.3 and 17.4 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

- 17.5.2 If:

- (a) the Transfer Notice does not include a Minimum Transfer Condition; and
- (b) 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 17.3 and 17.4, 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 ten (10) Business Days nor more than twenty (20) Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- 17.5.3 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.

- 17.5.4 If the Seller fails to comply with the provisions of Article 17.5.3:

- (a) 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:
 - (i) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
 - (ii) receive the Transfer Price and give a good discharge for it; and
 - (iii) 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
- (b) 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).

17.5.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 17.5.6, the Seller may, within eight (8) 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 Conditions.

17.5.6 The right of the Seller to transfer Shares under Article 17.5.5 does not apply if the Board is of the opinion on reasonable grounds that:

- (a) the transferee is a person (or a nominee for a person) who the Special Directors determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or any Subsidiary;
- (b) 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
- (c) 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.

17.6 Termination of Rights

The rights set out in this Article 17 shall cease upon a Share Sale or Qualified Listing and in relation to a particular Shareholder, upon that Shareholder ceasing to hold any Shares.

18. CO-SALE RIGHTS ON THE TRANSFER OF SHARES

18.1 The provisions of this Article 18 shall apply in respect of a proposed transfer of Shares representing at least ten per cent. (10%) in nominal value of all Shares (on an as Converted Basis) (a “**Proposed Sale**”) pursuant to Article 17 by any Shareholder (the “**Selling Shareholder**”).

18.2 No Proposed Sale may be made or validly registered unless the proposed purchaser has offered (a “**Co-Sale Offer**”) to purchase from each Shareholder (other than the Selling Shareholder) (an “**Eligible Co-Seller**”) a proportion of the Shares (on an As Converted Basis) held by that Eligible Co-Seller such as is equal to that proportion which the number of Shares (on an As Converted Basis) to be transferred by the Selling Shareholder pursuant to the Proposed Sale bears to the total number of Shares (on an As Converted Basis) held by such Selling Shareholder immediately prior to such sale.

18.3 The Co-Sale Offer must be in writing and made not less than 15 Business Days prior to the date of the Proposed Sale and must offer to purchase all Shares which are the subject of the Co-Sale Offer for the Sale Consideration per share and otherwise on the same terms as the Proposed Sale (or on terms otherwise approved by Eligible Co-Sellers accepting the Co-Sale Offer and holding not less than 75% of all Shares held by all Eligible Co-Sellers). The Co-Sale Offer shall be capable of acceptance by written notice to the proposed purchaser by any Eligible Co-Seller at any time prior to the Proposed Sale.

18.4 For the purposes of Article 18.2, no Co-Sale Offer need be made to purchase any fraction of a Share.

18.5 Disapplication of co-sale rights

The requirements of the foregoing provisions of this Article 18 (and the requirement to comply herewith under Article 17) may be disappplied in respect of any Proposed Sale if so approved in writing by Majority Consent.

19. DRAG RIGHTS

- 19.1.1 If the Holders of not less than seventy-five per cent. (75%) by nominal value of the Series A Shares (the “**Selling Series A Shareholders**”) wish to transfer all their interest in Series A Shares (the “**Sellers’ Shares**”) to a Third Party Investor (an “**Acquiror**”) on *bona fide* arm’s length terms, the Selling Series A Shareholders shall have the option (the “**Drag Option**”) to require all other Holders of Shares (the “**Called Shareholders**”) to sell and transfer all of their Shares to the proposed Acquiror or as the proposed Acquiror shall direct in accordance with the provisions of this Article 19 (the “**Drag Sale**”).
- 19.1.2 The Selling Series A Shareholders may exercise the Drag Option by giving a written notice to that effect (a “**Drag Notice**”) to the Company which the Company shall forthwith send to the Called Shareholders at any time before the transfer of the Sellers’ Shares to the proposed Acquiror. A Drag Notice shall specify that the Called Shareholders are required to transfer all their Shares (the “**Called Shares**”) under this Article 19, 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 19) and the proposed date of transfer.
- 19.1.3 Drag Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers’ Shares by the Selling Series A Shareholders to the proposed Acquiror within forty (40) Business Days after the date of service of the Drag Notice. The Selling Series A Shareholders shall be entitled to serve further Drag Notices following the lapse of any particular Drag Notice.
- 19.1.4 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 Acquiror were distributed to the Holders of the Called Shares and the Sellers’ Shares in accordance with the provisions of Article 4.3.
- 19.1.5 The obligations of the Called Shareholders pursuant to this Article 19 shall be subject only to the satisfaction of the following conditions:
- (a) upon the consummation of the Drag Sale, each Called Shareholder shall receive the same proportion of the aggregate consideration from such Drag Sale that such Called Shareholder would have received if such aggregate consideration had been distributed by the Company pursuant to Article 4.3;
 - (b) if any Shareholder or Shareholders of a class or series are given an option as to the form and amount of consideration to be received, all Shareholders of such class or series will be given the same option;
 - (c) all holders of options, warrants or similar rights to acquire Shares of the Company (“**Share Equivalents**”) that are exercisable on or before the time of consummation of the Drag Sale will be given an opportunity to exercise such rights immediately prior to but conditional upon the consummation of the Drag Sale (but only to the extent that such Share Equivalents are then vested or would be vested at the time of

consummation of the Drag Sale or on an accelerated basis pursuant to the terms of their issuance) and participate in such sale as Shareholders;

- (d) no Shareholder shall be obligated to make any out-of-pocket expenditure relating to the consummation of the Drag Sale (save that this Article 19.1.5(d) shall not apply in respect of costs willingly incurred by the Shareholder in relation to the Drag Sale, including, but not limited to, costs associated with financial and/or legal advice);
- (e) any representations and warranties to be made by such Called Shareholder in connection with the Drag Sale are limited to customary representations and warranties related to authority and ownership of the Shares and Share Equivalents held by such Called Shareholder and the ability to convey title to such Shares and Share Equivalents, including, without limitation, representations and warranties that:
 - (i) the Called Shareholder holds all right, title and interest in and to the Company's securities and such Called Shareholder purports to hold, free and clear of all liens, claims, adverse changes and encumbrances;
 - (ii) the obligations of the Called Shareholder in connection with the transaction have been duly authorized, if applicable;
 - (iii) the documents to be entered into by the Called Shareholder have been duly executed by the Called Shareholder and delivered to the Acquiror and are enforceable against the Called Shareholder in accordance with their respective terms; and
 - (iv) neither the execution and delivery of the documents to be entered into in connection with the transaction, nor the performance of the Called Shareholder's obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency;
- (f) the Called Shareholder shall not be liable for the inaccuracy of any representation or warranty relating to any matter other than title, ownership, authority and capacity made by any other person in connection with the Drag Sale, other than the Company and/or the Company's management;
- (g) the liability for breach of warranty and/or indemnification, if any, of such Called Shareholder in the Drag Sale and for the inaccuracy of any representations and warranties made by the Company and/or the Company's management in respect of any matter other than title, ownership, authority and capacity in connection with such Drag Sale, is either:
 - (i) several and not joint with any other person, and is *pro rata* in proportion to the amount received by the Called Shareholders in the Drag Sale (which may take into account the applicable orders of priority for distribution of funds);
 - (ii) limited to funds contributed to an escrow in proportion to the amount received by the Called Shareholders in the Drag Sale (which may take into account the applicable orders of priority for distribution of funds); or

- (iii) any combination of (i) and (ii) above;
 - (h) the liability of each Called Shareholder (inclusive of any liability described in Article 19.1.5(g)) above shall be limited (in aggregate) to the amount of consideration actually paid to such Called Shareholder in connection with such Drag Sale, except with respect to:
 - (i) representations and warranties given by such Called Shareholder pursuant to Article 19.1.5(e) related to, among other things, authority and ownership of the Shares and Share Equivalents held by such Called Shareholder and the ability to convey title to such Share and Share Equivalents;
 - (ii) any covenants made by such Called Shareholder, including, without limitation, with respect to confidentiality or voting related to the Drag Sale; or
 - (iii) claims related to fraud, wilful concealment or dishonesty by such Called Shareholder, the liability for which need not be limited; and
 - (i) if some or all of the consideration received in connection with the Drag Sale is made otherwise than in cash, then the valuation of such assets shall be deemed to have a Sterling value equal to the fair market value of such assets as determined by the Board acting in good faith. The determination of the fair market value shall be final and binding on all parties (absent any manifest error or fraud).
- 19.1.6 Within five (5) Business Days of the proposed Acquiror serving a Drag Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the proposed Acquiror or as the proposed Acquiror 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 (5) Business Day period the Company shall pay the Called Shareholders, on behalf of the proposed Acquiror, the amounts they are due pursuant to Article 19.1.4 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 19.1.4 shall be a good discharge to the Acquiror. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 19.1.4 on trust for the Called Shareholders without any obligation to pay interest.
- 19.1.7 To the extent that the proposed Acquiror has not, on the expiration of such five (5) Business Day period, put the Company in funds to pay the amounts due pursuant to Article 19.1.4, 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 19 in respect of their Shares.
- 19.1.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or a suitable indemnity in lieu thereof) for its Shares to the Company upon the expiration of that five (5) Business Day period, the Directors shall, if requested by the proposed Acquiror, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the proposed Acquiror (or its nominee(s)) to the extent the proposed Acquiror has, at the expiration of that five (5) Business Day period, put the Company in funds to pay the amounts due pursuant to Article 19.1.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once any appropriate stamp duty (if any) has been paid. The defaulting Called Shareholder shall surrender his share certificate for his

Shares (or provide a suitable indemnity in lieu thereof) to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 19.1.4.

- 19.1.9 Any transfer of Shares to a proposed Acquiror (or as they may direct) pursuant to a sale in respect of which a Drag Notice has been duly served shall not be subject to the provisions of Article 17.
- 19.1.10 On any person, following the issue of a Drag Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire Shares in the Company or pursuant to the conversion of any convertible security of the Company (a “**New Shareholder**”), a Drag Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Notice who shall then be bound to sell and transfer all Shares so acquired to the proposed Acquiror or as the proposed Acquiror may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Notice being deemed served on the New Shareholder.

20. TAG RIGHTS

20.1 Tag Rights

In the event that Holder(s) elect to sell or transfer Shares to a third party who is not an Affiliate of any of the selling Holder(s) and the result of such sale(s) or transfer(s) would be that the transferee would directly or indirectly own Shares giving a Controlling Interest (a “**Tag Proposed Sale**”) (other than (i) a Permitted Transfer; (ii) a sale or transfer pursuant to Article 14 (*Transfers with Shareholder’s Approval*); (iii) a sale or transfer to other Shareholders (or other persons) pursuant to Article 17 (*Pre-Emption on the Transfer of Shares*); (iii) a sale or transfer pursuant to Article 16 (*Compulsory Transfers*); or (iv) a sale or transfer pursuant to Article 19 (*Drag Rights*)), then such sale(s) or transfer(s) may not be made or validly registered unless the proposed transferee (which may include an existing Shareholder) (the “**Tag Purchaser**”) has complied with the provisions of this Article 20.

20.2 Tag Notice

At least 15 Business Days prior to such Tag Proposed Sale the Tag Purchaser shall give written notice to the Company (a “**Tag Notice**”) setting out the details of the Tag Proposed Sale including: (i) the number and class of Shares to which the Tag Proposed Sale relates; (ii) the aggregate consideration payable in respect of the transfer of Shares pursuant to the Tag Proposed Sale and any additional Shares which may be transferred upon exercise of the rights of the Tag Vendors to transfer Shares pursuant to this Article 20, stated by reference to a price per Share or other formula dependent on the number and class of Shares so transferred which shall be the same as that offered for each Share of each class included in the Tag Proposed Sale (but notwithstanding the basis of any such price per share or formula for determining such aggregate consideration, the actual consideration payable (if any) in respect of each Share shall be the Tag Sale Consideration as stated in Article 20.4); (iii) all other terms to which the Tag Proposed Sale and the sale of any such additional Shares is subject, which shall be identical for each Share at least as to the form of the consideration and the time or times at which it is to be paid or satisfied (subject to any adjustment required by Article 4.3; (iv) the name and address of the Tag Purchaser; and (v) the date on which the Tag Proposed Sale is to occur. The Tag Proposed Sale shall not be undertaken and no transfer of Shares pursuant

to it shall be registered by the Directors unless the provisions of this Article 20 have been complied with.

20.3 **Notice of Tag Sale**

Within 10 Business Days after its receipt of a Tag Notice the Company shall give written notice to each of the Shareholders (other than the Holders whose election to sell or transfer Shares to the Tag Purchaser in the first instance constituted the Tag Proposed Sale) (the “**Tag Notice Parties**”) giving notice of the Tag Proposed Sale, enclosing a copy of the Tag Notice and informing them of their rights pursuant to this Article 20 (a “**Tag Sale Notice**”). If the Company defaults in the foregoing obligation to issue a Tag Sale Notice, the Tag Purchaser may so issue a Tag Sale Notice to such Tag Notice Parties and holders of Relevant Securities (if any) on behalf of the Company.

20.4 **Tag Rights**

In the event of a Tag Proposed Sale, each Tag Notice Party shall have the right to require (by written notice served on the Tag Purchaser at the address stated in the Tag Notice) that the Tag Purchaser purchase on the terms set out in the Tag Notice:

20.4.1 all Shares held by such Tag Notice Party; and

20.4.2 all Shares to be issued to such holder of Relevant Securities on the exercise of any such right to so acquire Shares,

and the consideration payable (if any) in respect of each Share pursuant to the Tag Proposed Sale on exercise of the right set out in this Article 20.4 shall be the Tag Sale Consideration.

20.5 **Confirmed Tag Notices**

A notice served on a Tag Purchaser pursuant to Article 20.3 (a “**Confirmed Tag Notice**”) shall constitute an irrevocable undertaking to transfer in accordance with this Article 20 the Shares to which such notice relates (and, in the case of a transfer of Shares to be acquired by a holder of Relevant Securities conferring a right to acquire Shares, an undertaking to so exercise such right to acquire such Shares), subject only to completion of the Tag Proposed Sale. A Confirmed Tag Notice must be served before the date of the Tag Proposed Sale as stated in the Tag Notice (or, if later, the actual date of the Tag Proposed Sale). A Confirmed Tag Notice must state: (i) the number of Shares to which it relates; (ii) in the case of a transfer of Shares to be acquired by a holder of Relevant Securities conferring a right to acquire Shares, details of the right to so acquire such Shares; (iii) the name and address of the Shareholder (or holder of Relevant Securities) exercising such right (a “**Tag Vendor**”); and (iv) the express agreement of the Tag Vendor to comply with the provisions of Article 20.5.

20.6 **Completion of Tag Sales**

On completion of the relevant Tag Proposed Sale, the Company shall give written notice of the completion of the Tag Proposed Sale to each Tag Vendor and the Tag Purchaser shall deposit the aggregate consideration payable to the Tag Vendors with the Company to hold on trust for the benefit of the Tag Vendors. The Company shall be entitled to deduct and pay from any consideration so held on trust by it for the benefit of a Tag Vendor any amount payable by such Tag Vendor to the Company in respect of the exercise of any right to acquire

Shares and/or any other amount payable by such Tag Vendor to the Company (or a member of the Company's Group). Within 21 days after such notice (or, if Shares the subject of a Confirmed Tag Notice are to be issued to a Tag Vendor on exercise of the rights attaching to Relevant Securities, if later, within 10 days after the issue of such Shares) each Tag Vendor shall deliver to the Company a duly executed stock transfer form in favour of the Tag Purchaser (together with the share certificate (or indemnity in a form reasonably acceptable to the Board in respect of a lost or destroyed certificate) and such other documentation as may be necessary to complete the transfer) whereupon the Company shall promptly pay to such Tag Vendor from the consideration monies held by it on trust such amount as is payable to such Tag Vendor in respect of the transfer of such Shares and the Company shall thereupon deliver such stock transfer forms (together with all such share certificates, indemnities and other documents) as provided by such Tag Vendor to the Tag Purchaser. If any Tag Vendor fails to comply in full with its obligations under this Article 20.6 then (without prejudice to any other remedy or right of recourse as may be available to the Tag Purchaser), the Tag Purchaser shall be entitled to execute, or to authorise and instruct such person as he thinks fit to execute the necessary stock transfers, other necessary documents and indemnities on that Tag Vendor's behalf and following which the Company shall (subject to the delivery to the Company of such stock transfer forms duly stamped) cause the Tag Purchaser to be registered as the Holder of those Shares and, after such registration: (i) the validity of such proceedings shall not be questioned by any person; and (ii) the consideration payable to such Tag Vendor shall only be paid to such Tag Vendor by the Company from the consideration monies held on trust upon either the written instruction of the Tag Purchaser or the delivery by the Tag Vendor of such certificates, indemnities and other documents as the Tag Vendor is so required to deliver under this Article 20.6.

20.7 Primacy of Article 4.3

For the avoidance of doubt, in the event that the Tag Proposed Sale together with the transfer of Shares pursuant to this Article 20 constitutes a Share Sale, the provisions of Article 4.3 shall apply in respect of the proceeds of the Tag Proposed Sale and all such transfers.

21. PRIMACY OF CO-SALE RIGHTS, TAG RIGHTS AND DRAG RIGHTS

Co-Sale Rights and Drag Rights

These Articles and all other regulations of the Company relating to the transfer of Shares and the rights to registration of transfers shall be read subject to the provisions of Articles 18, 19 and 20

22. SPECIAL DIRECTORS

22.1 Right to appoint Special Directors

- 22.1.1 Subject to Article 22.1.2 but notwithstanding any other provisions of these Articles, for as long as the Nominating Investor, together with its respective Permitted Transferee(s), holds Shares, the Nominating Investor shall be entitled to appoint any two (2) persons holding office at any one time to act as a Special Director of the Company and to remove from office any person so appointed and to appoint another person in his place.

- 22.1.2 In the event that the number of Directors appointed for the time being equals or exceeds five (5), so long as the Nominating Investor, together with its respective Permitted Transferee(s), holds Shares, it shall be entitled to appoint an additional person to act as a Special Director of the Company and to remove from office and person so appointed and to appoint another person in his place. For the avoidance of doubt, if the circumstances set out in this Article 22.1.2 are met, the Nominating Investor shall be entitled to appoint (and remove) a total of three (3) Special Directors, *save that* if the number of Directors appointed from time to time falls below five (5), the rights granted under this Article 22.1.2 shall no longer apply.
- 22.1.3 In the event that a resolution to remove a Special Director from office as a Director of the Company is proposed pursuant to section 168 of the Act (or otherwise by resolution of the Shareholders in general meeting) then, in respect of such resolution only, each Share held by the Nominating Investor having the right to appoint such Special Director (and each Share held by each Permitted Transferee of such Nominating Investor), shall carry a number of votes per Share equal to 1,000,000 multiplied by the number of votes in respect of such Share otherwise determined in accordance with Article 7.1.1 or 7.1.2 (as the case may be depending on the class of such Share).
- 22.1.4 Appointment and removal of a Special Director pursuant to this Article 22 shall be effected by written notice to the Company from the Nominating Investor appointing or removing such Special Director, which appointment or removal, as the case may be, shall take effect on delivery at the Company's registered office (or at any meeting of the Board or any committee thereof) or at such later time as may be specified in the notice.
- 22.1.5 The right of the Nominating Investor to appoint any Special Directors pursuant to this Article 22 shall cease to apply immediately prior to, but conditional upon completion of, a Listing.
- 22.2 Ordinary Director appointment rights**
- 22.2.1 Until the third anniversary of the date of Adoption, CRT shall be entitled by notice to the Company to appoint any one person holding office at any one time to act as a non-executive Ordinary Director and to remove from office by notice to the Company any person so appointed and to appoint another person in his place.
- 22.2.2 Between the third and fifth anniversary of the date of Adoption, CRT shall be entitled to appoint any one Independent Person (who is approved in writing in advance by a Special Director, such approval not to be unreasonably withheld or delayed) holding office at any one time to act as a non-executive independent Director and to remove from office by notice to the Company any person so appointed and to appoint another person in his place.
- 22.2.3 The right of CRT to appoint an Ordinary Director or an independent Director pursuant to this Article 22 shall cease to apply immediately prior to, but conditional upon completion of, a Listing.

23. NUMBER OF DIRECTORS, DIRECTORS' MEETINGS, VACATION OF OFFICE

23.1 Maximum number of Directors

The maximum number of Directors shall be eight (8) which number can be increased or decreased with Majority Consent.

23.2 Telephone conferences

A meeting of the Directors or of a committee of the Directors may consist of a conference between Directors who are not all in one place, but of whom each is able (directly or by telephonic or other communication) to speak to each of the others, and to be heard by each of the others simultaneously; and the word “meeting” in these Articles shall be construed accordingly.

23.3 Written Directors’ resolutions

A resolution in writing signed or approved by facsimile by all the Directors shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened and held and may consist of several documents in the like form each signed by one or more Directors; but a resolution signed by an alternate Director need not also be signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

23.4 Calling Directors’ meetings

23.4.1 Any Director may call a Directors’ meeting by sending notice of the meeting to all the other Directors and all observers to the Board or by authorising the company secretary (if any) to send such notice to all the Directors and observers.

23.4.2 Notice of any Directors’ meeting must indicate:

- (a) the proposed date and time;
- (b) where it is to take place;
- (c) if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they communicate with each other during the meeting.

23.4.3 Notice of every meeting of the Directors shall be given to each Director and each observer of the Board at any address supplied by him to the Company for that purpose whether or not he is present in the United Kingdom, provided that any Director and any observer may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him.

23.5 Quorum for Directors’ meetings

23.5.1 At a Directors’ meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

23.5.2 The quorum for a Directors’ meeting shall be two (2) Directors including at least one (1) Special Director or his respective alternate Director.

23.5.3 However, if any Director who is required for the quorum is not present within half an hour of the time at which the meeting was due to start, the chairman may adjourn the meeting by forty-eight (48) hours, to be held at the same time of the day and place, and shall give written notice of the same to all Directors. If the same Director is not present within half an hour of the time at which the adjourned meeting was due to start, then the chairman may declare a quorum

present, notwithstanding that the quorum requirements set out in Article 23.5.2 have not been satisfied.

- 23.5.4 If a Director or alternate Director participates also as an alternate Director for one or more other Directors he shall count as one Director for the purpose of determining whether there is a quorum.
- 23.5.5 If the total number of Directors for the time being is less than the quorum required, the Director or Directors remaining must not take any decision other than a decision.
- (a) to appoint further Directors, or
 - (b) to call a general meeting or invite the Shareholders to pass a written resolution so as to enable the Shareholders to appoint further Directors.
- 23.5.6 If the total number of Directors for the time being is less than the quorum required and the Directors have not within one (1) month of that situation arising taken either of the actions specified in Article 23.5.5 or there are no Directors in office, any Shareholder may call a general meeting or propose a written resolution (or instruct the company secretary, if any, to do so) for the purpose of appointing one or more Directors specified by that Shareholder and who are willing to act.
- 23.5.7 A Director is participating in a Directors' meeting if he is physically present at the meeting or if he is taking part in a conference which complies with Article 23.2.

23.6 Chairing of Directors' meetings

- 23.6.1 The Directors shall appoint a Director to chair their meetings either for a specified meeting or on a continuing basis. When a chairman is appointed for a specified meeting, all observer then appointed (if any) shall be given sufficient notice of such appointment to be able to express a wish to attend the meeting.
- 23.6.2 The person so appointed for the time being is known as the chairman.
- 23.6.3 Where the chairman is appointed on a continuing basis the Directors may terminate the appointment of the chairman at any time.
- 23.6.4 If the chairman is not participating in a Directors' meeting within ten minutes of the time at which it was to start, the participating Directors must appoint one of themselves to chair that meeting. The chairman previously appointed on a continuing basis (if any) shall thereafter continue in office unless and until such office is terminated under Article 23.6.3.

23.7 Voting at Directors' meetings

- 23.7.1 Subject to Article 23.7.2, each Director participating in a Directors' meeting has one vote.
- 23.7.2 For so long as the Nominating Investor has appointed to the Board:
- (a) only two (2) Special Directors, the Nominating Investor shall be entitled to nominate one (1) Special Director participating in a Director's meeting who shall have two (2) votes; or
 - (b) only one (1) Special Director, that Special Director participating in a Director's meeting shall have three (3) votes.

23.7.3 Decisions taken by the Board shall be by a majority vote. A Special Director nominated by the Nominating Investor shall have a casting vote in the event of a tied vote.

23.7.4 For the avoidance of doubt, Article 23.7.2 shall cease to apply in the event that the Nominating Investor has exercised its right pursuant to Article 22.1.2 to appoint more than two (2) Directors.

23.8 Irregularities

All decisions made and acts done by the Directors, or by any person acting as a Director or by any person or persons to whom authority has been delegated by a decision of one or more Directors or by a person or persons acting as such shall, notwithstanding that it shall afterwards be discovered that there was a defect in the appointment of any such person or in such delegation, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if such irregularity had not occurred.

23.9 Vacation of office

The office of a Director shall be vacated if:

23.9.1 he resigns by notice delivered to the secretary (or the Chief Executive Officer if no secretary has been appointed) at the registered office or tendered at a board meeting;

23.9.2 he ceases to be a Director by virtue of a provision of the Act, is removed from office pursuant to these Articles or becomes prohibited by law from being a Director;

23.9.3 a bankruptcy order is made against him;

23.9.4 a composition or arrangement is made with his creditors generally in satisfaction of his debts;

23.9.5 by reason of his mental health, a court makes an order which wholly or partly prevents him from personally exercising any powers or rights which he would otherwise have;

23.9.6 a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become mentally or physically incapable of acting as a Director and may remain so for more than three months;

23.9.7 subject to Article 23.10, in the case of a Director (other than a Special Director, or, subject to Article 23.10, an Ordinary Director) he shall be removed from office by notice in writing served upon him signed by all of his co-Directors;

23.9.8 in the case of a Director if he holds an appointment to an executive office with the Company which terminates or otherwise determines, (unless resolved otherwise by the Board) and such removal shall take effect at the time such appointment terminates or otherwise determines and shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of contract of service or otherwise between him and the Company;

23.9.9 subject to Article 23.10, in the case of a Director (other than a Special Director or an Ordinary Director) he shall be removed from office by the service of written notice by way of Majority Consent on such person; and

23.10 in relation to an Ordinary Director only, he or she ceases to be an Independent Person at any time during his or her appointment, in which case CRT shall be deemed to have served notice

on the Company pursuant to Article 22.2.1 removing such person from office. This is without prejudice to CRT's right to appoint a replacement Ordinary Director.

24. DIRECTORS' CONFLICTS OF INTEREST

24.1 Specific interests of a Director

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 and subject to approval of the Board in accordance with Article 24.5 may be entitled to vote and be counted in the quorum in relation to any matter concerning the following particulars:

- 24.1.1 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;
- 24.1.2 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;
- 24.1.3 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;
- 24.1.4 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;
- 24.1.5 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;
- 24.1.6 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;
- 24.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- 24.1.8 any other interest authorised by ordinary resolution.

24.2 Interests of a Special Director

In addition to the provisions of Article 24.1, subject to the provisions of the Companies Acts 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 Special 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:

- 24.2.1 a Fund Manager;
- 24.2.2 any of the funds advised or managed by a Fund Manager from time to time; or
- 24.2.3 another body corporate or firm in which a Fund Manager or any fund advised by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

24.3 **Interests of which a Director is not aware**

For the purposes of this Article 24, 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.

24.4 **Accountability of any benefit and validity of a contract**

In any situation permitted by this Article 24 (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.

24.5 **Terms and conditions of Board authorisation**

Subject to Article 24.6, 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:

- 24.5.1 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:
 - (a) 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;
 - (b) 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
 - (c) restricting the application of the provisions in Articles 24.7 and 24.8, so far as is permitted by law, in respect of such Interested Director;
- 24.5.2 be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Situation as they see fit from time to time; and

subject to Article 24.6, 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 24.

24.6 Terms and conditions of Board authorisation for a Special Director

Notwithstanding the other provisions of this Article 24, it shall not (save with the consent in writing of a Special Director) be made a condition of any authorisation of a matter in relation to that Special 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 24.8.

24.7 Director's duty of confidentiality to a person other than the Company

Subject to Article 24.8 (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 24), 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:

- 24.7.1 to disclose such information to the Company or to any Director, or to any Officer or employee of the Company; or
- 24.7.2 otherwise to use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

24.8 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 24.7 shall apply only if the conflict arises out of a matter which falls within Article 24.1 or Article 24.2 or has been authorised under section 175(5)(a) of the Act.

24.9 Additional steps to be taken by a Director to manage a conflict of interest

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:

- 24.9.1 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
- 24.9.2 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.

24.10 Requirement of a Director is to declare an interest

Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 24.1 or Article 24.2 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

- 24.10.1 failing under Article 24.1.7;
- 24.10.2 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
- 24.10.3 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.

24.11 **Shareholder approval**

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 24.

24.12 For the purposes of this Article 24:

- 24.12.1 a conflict of interest includes a conflict of interest and duty and a conflict of duties;
- 24.12.2 the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
- 24.12.3 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.

25. **LIEN**

25.1 The Company has a lien (the “**Company’s Lien**”) over every Share which is nil paid or partly paid for any part of:

25.1.1 that Share’s nominal value; and

25.1.2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a Call Notice has been sent in respect of it.

25.2 The Company’s Lien over a Share shall:

25.2.1 take priority over any third party’s interest in that Share; and

25.2.2 extend to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share.

The Directors may at any time decide that a Share which is, or would otherwise be, subject to the Company’s Lien shall not be subject to it, either wholly or in part.

- 25.3 Subject to the provisions of this Article 25, if:
- 25.3.1 a notice complying with Article 25.4 (a “**Lien Enforcement Notice**”) has been given by the Company in respect of a Share; and
 - 25.3.2 the person to whom the notice was given has failed to comply with it,
- then the Company shall be entitled to sell that Share in such manner as the Directors decide.
- 25.4 A Lien Enforcement Notice:
- 25.4.1 may only be given by the Company in respect of a Share which is subject to the Company’s Lien, in respect of which a sum is payable and the due date for payment of that sum has passed;
 - 25.4.2 must specify the Share concerned;
 - 25.4.3 must require payment of the sum payable within fourteen (14) days of the notice;
 - 25.4.4 must be addressed either to the holder of the Share or to a person entitled to it by reason of the holder’s death, bankruptcy or otherwise; and
 - 25.4.5 must state the Company’s intention to sell the Share if the notice is not complied with.
- 25.5 Where any Share is sold pursuant to this Article 25:
- 25.5.1 the Directors may authorise any person to execute an instrument of transfer of the Share to the purchaser or a person nominated by the purchaser; and
 - 25.5.2 the transferee shall not be bound to see to the application of the consideration, and the transferee’s title shall not be affected by any irregularity in or invalidity of the process leading to the sale.
- 25.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) shall be applied:
- 25.6.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the Lien Enforcement Notice; and
 - 25.6.2 secondly, to the person entitled to the Share at the date of the sale, but only after the certificate for the Share sold has been surrendered to the Company for cancellation or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificate, and subject to a lien equivalent to the Company’s Lien for any money payable over the Share before the sale for any money payable in respect of the Share after the date of the Lien Enforcement Notice.
- 25.7 A statutory declaration by a Director or the company secretary that the declarant is a Director or the company secretary and that a Share has been sold to satisfy the Company’s Lien on a specified date:
- 25.7.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 25.7.2 subject to compliance with any other formalities of transfer required by the Articles or by law, shall constitute a good title to the Share.

26. INDEMNITY AND INSURANCE

26.1 Subject to Article 26.2:

26.1.1 each Relevant Officer of the Company or an associated company shall be indemnified out of the Company's assets against:

- (a) any liability incurred by that person in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that person in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act); and
- (c) any other liability incurred by that person as an Officer of the Company or an associated company; and

26.1.2 the Company may provide any Relevant Officer with funds to meet expenditure incurred or to be incurred by him in connection with defending any civil or criminal proceedings or any application relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs and otherwise may take any action to enable any such Relevant Officer to avoid incurring such expenditure.

26.2 This Article 26 does not authorise or provide any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law.

26.3 Power to Purchase and Maintain Insurance

The Directors shall be entitled to purchase and maintain insurance, at the expense of the Company, for the benefit of any Relevant Officer in respect of any loss or liability which has been or may be incurred by a Relevant Officer in connection with that Relevant Officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' Share scheme of the Company or associated company.

26.4 In this Article 26, companies are "associated" if one is a subsidiary of the other or both are subsidiaries of the same body corporate.