

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

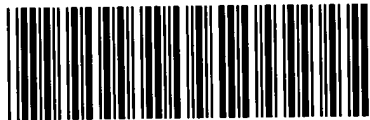
ARTICLES OF ASSOCIATION

of

SMARTPIPE GROUP LIMITED

(Adopted by a special resolution passed on 30 August 2019)

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1. Introduction

1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (the **Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.

1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.

1.3 In these Articles:

1.3.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;

1.3.2 words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa; and

1.3.3 Articles 8(2), 9(4), 11(2), 13, 14, 26(5), 27, 28, 29, 30(5) to (7) (inclusive), 44(4), 52 and 53 of the Model Articles shall not apply to the Company.

1.4 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of a Representative Director under these Articles, if at any time a Representative Director has not been appointed or a Representative Director declares in writing to the Company and the Investors that he considers that providing such consent gives rise or may give rise to a conflict of interest to his duties as a Director, such action or matter shall require Shareholder Majority Consent.

2. Definitions

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

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

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

Allocation Notice has the meaning given in Article 13.8.2.

Applicant has the meaning given in Article 13.8.2.

Appointer has the meaning given in Article 21.1.

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets.

Associate means in relation to any person means:

- (a) an associated company of that person or a person connected with that person (and whether a person is an associated company or is so connected shall be determined in accordance with sections 449 and 1122 of the CTA 2010 save that, in construing these sections the term Control shall have the meaning given by section 450 or section 1124 of the CTA 2010 so that there shall be control wherever either of the said sections would so require);
- (b) any Member of the same Group; and
- (c) any Member of the same Fund Group.

Auditors means the auditors of the Company from time to time.

Available Profits means profits available for distribution within the meaning of part 23 of the Act.

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

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

Call has the meaning given in Article 32.1.

Call Notice has the meaning given in Article 32.1.

Called Shares has the meaning given in Article 16.2.1.

Called Shareholders has the meaning given in Article 16.1.

Capitalised Sum has the meaning given in Article 35.1.2.

Civil Partner means in relation to a Shareholder, a civil partner (as defined in the Civil Partnership Act 2004) of the Shareholder.

CLN Conversion Shares mean the 2,560,000 Ordinary shares in the issued share capital of the Company held by the CLN Shareholders as a result of the debt for equity swap of their Loan Notes for ordinary shares in the Company.

CLN Shareholders means each of Notion, Verdict Advisors, Scorpion Nominees, Oleander, Abdul Karim El-Rousstom, Fraser Park, Wilton Trust, Robert Reid, Jonathan Chamberlain, Hikmat Rousstom, Alan Morgan, David Benello, Delta, Tiptana, Wren Capital, Peter Gee and Smartpipe SPC (each a **CLN Shareholder**).

CLN Representative Director has the meaning given in Article 23.2.2.

Company means Smartpipe Group Limited.

Company's Lien has the meaning given in Article 31.1.

Continuing Shareholders has the meaning given in Article 13.6.1.

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010.

CTA 2010 means the Corporation Tax Act 2010.

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

Defaulting Shareholder means a Shareholder in relation to which an Event of Default has occurred.

Director(s) means a director or directors of the Company from time to time including any Nominated Director.

Drag Along Notice has the meaning given in Article 16.2.

Drag Along Option has the meaning given in Article 16.1.

Drag Consideration has the meaning given in Article 16.4.

Drag Completion Date has the meaning given in Article 16.7.

Drag Documents has the meaning given in Article 16.7.

electronic address has the same meaning as in section 333 of the Act.

electronic form and electronic means have the same meaning as in section 1168 of the Act.

Eligible Director means a Director who would be entitled to vote on a matter had it been proposed as a resolution at a meeting of the Directors.

Employee means an individual (excluding, for the avoidance of doubt, an Investor) who is employed by, an officer of, or who provides consultancy services to, the Company or any member of the Group (and "Employed by" shall be construed accordingly).

Employee Share Scheme means a Board approved equity incentive scheme for Managers and Employees of the Group.

Encumbrance any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including without limitation any retention of title claim), conflicting claim of ownership or any other

encumbrance of any nature whatsoever (whether or not perfected other than liens arising by operation of law).

Event of Default in relation to a Shareholder means:

- (a) such Shareholder commits any material breach of its obligations under these Articles or the Shareholders Agreement and fails to remedy such breach (if capable of remedy) within 30 days after being given notice in writing by the Company so to do;
- (b) such Shareholder or any shareholder or Associate of such Shareholder does or says, or permits, instructs or encourages the doing or saying of, anything which is harmful to the reputation of, or materially detrimental to, the Group; or
- (c) such Shareholder, or a shareholder or Associate of such Shareholder, issues or threatens to issue proceedings against:
 - (i) a Group Company;
 - (ii) any other Shareholder; or
 - (iii) any shareholder or Associate of any other Shareholder in its capacity as such.

Excess Securities shall have the meaning given in Article 9.5.2.

Executive Directors means Directors who are appointed in an executive capacity (each an **Executive Director**).

Exit means a Share Sale or an Asset Sale.

Expert Valuer means is as determined in accordance with Article 17.2.1.

Fair Value is as determined in accordance with Article 17.4.

Family Member means a Spouse or child (including stepchild or adopted child), parent, brother or sister.

Family Trust means the holding of Shares held by a Shareholder on trust, discretionary or otherwise, under which the Shareholder or Family Member is solely interested in the Shares.

First Offer Period has the meaning given in Article 13.6.1.

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

Group means the Company and its Subsidiaries from time to time and **Group Company** shall be construed accordingly.

hard copy form has the same meaning as in section 1168 of the Act.

Holding Company means a newly formed holding company, in which the membership, pro rata shareholdings and classes of shares match that of the

Company immediately prior to the transfer of the issued share capital of the Company to such holding company.

Independent Director means neither a Representative Director nor an Executive Director.

Initial Surplus Shares has the meaning given in Article 13.6.5.

Interested Director has the meaning given in Article 26.3.

Investor Director has the meaning given in Article 23.2.3.

Investors means each of the CLN Shareholders and the New Investors and each of their respective Permitted Transferees from time to time (each an **Investor**).

Investor Observer has the meaning given in Article 23.4.

IPO means the successful admission of all or any of the Shares or securities representing those shares (including without limitation depositary interests, American depositary receipts, American depositary shares and/or other instruments) on NASDAQ or the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000).

ITEPA means Income Tax (Earnings and Pensions) Act 2003.

Kern Consulting Ltd a company incorporated in England and Wales (company number 09671350) whose registered office is 71-75 Shelton Street, Convent Garden, London, England, WC2H 9JQ.

Lead Investor means John Curry.

Lien Enforcement Notice has the meaning given in Article 31.3.1.

Loan Notes means the Loan Notes issued to the CLN Shareholders by Smartpipe Holdings Limited (company number 08722684) pursuant to a loan note instrument dated 7 March 2019.

Lower Threshold means a shareholding of 5% or more of the issued share capital of the Company calculated on the basis of:

$$(A \div B) \times 100\% = [X]\%$$

where:

"A" is the total number of shares in the issued share capital of the Company held by the relevant Shareholder LESS any CLN Conversion Shares held by the same individual; and

"B" is the total number of fully diluted shares in issue by the Company (including the CLN Conversion Shares).

Manager means any person who becomes a holder of Shares (whether by transfer or subscription) and who is Employed by the Company and designated as a "Manager" and who as at the Date of Adoption are Thomas Wills, Tanya Field and Jonathan Hulford-Funnel.

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

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

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

Minimum Transfer Condition shall have the meaning given in Article 13.2.4.

NASDAQ means the Nasdaq National Stock Market of the Nasdaq OMX Group Inc.

New Investors means the Lead Investor, Mr. Ismail Ghandour, Verdict Advisors, Mr. Abdul Karim El-Rousstom, Scorpion Nominees, Mr. Shahram Sabbaghi, Oleander Marketing Corporation, Mr. Robert Reid, Mr. Alan Morgan, Ms. Tessa Chamberlain, Kern Consulting, Wilton Trustees and Mr. Hikmat Rousstoum.

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption.

New Shareholder has the meaning given in Article 16.12.

Next Round of Investment means the next funding round of equal to or more than £3,000,000 (three million pounds) which takes place after the Completion of the subscription for Shares on the Date of Adoption pursuant to the Subscription Agreement.

Notion means Notion Capital 2 LP, a limited partnership registered in England (registered number LP014907), acting through its general partner, Notion GP LLP registered in England (registered number 0C371866), both of whose registered offices are at Third Floor, 1 New Fetter Lane, London, EC4A 1AN.

Notion Priority Period shall have the meaning given in Article 9.3.

Notion Subscription Right shall have the meaning given in Article 9.3.3.

Oleander means Oleander Marketing Corporation whose registered office is HSBC Guyerzeller Trust Company SA, Route de Pre-Bois 6, PO Box 2019, CH-1211 Geneve 1, Switzerland.

Ordinary Shareholders means the holders from time to time of the Ordinary Shares.

Ordinary Shares means the ordinary shares of £1.00 each in the capital of the Company.

Permitted Issue shall have the meaning given in Article 9.2.

Permitted Transfer means a transfer of Shares in accordance with Article 12.

Permitted Transferee means a person who has received, or is to receive, Shares as a result of a Permitted Transfer.

Primary Holder shall have the meaning given in Article 27.8.

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

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

Proposed Seller means any person proposing to transfer any shares in the capital of the Company.

Qualifying Company means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010).

Qualifying Person has the meaning given in section 318(3) of the Act.

Recipient has the meaning given in Article 29.

Recipient Group Companies has the meaning given in Article 29.

Relevant Interest has the meaning set out in Article 26.3.

Relevant Rate has the meaning set out in Article 32.10.2.

Representative Directors means the CLN Representative Director and any Investor Director(s) (from time to time) (each a **Representative Director**).

Representative Director Consent means the prior written consent of the Representative Directors.

Required Percentage means a shareholding of 7.5% or more of the issued share capital of the Company calculated on the basis of:

$$(A \div B) \times 100\% = [X]\%$$

where:

"A" is the total number of shares in the issued share capital of the Company held by the relevant Shareholder LESS any CLN Conversion Shares held by the same individual; and

"B" is the total number of fully diluted shares in issue by the Company (including the CLN Conversion Shares).

Restricted Person means each of the Google, Facebook, Tencent, Baidu, Alibaba, Cisco, Ericsson, Huawei, Sap, Oracle, IBM and Adobe groups of companies.

Sale Notice has the meaning given in Article 15.2.

Sale Shares has the meaning set out in Article 13.2.1.

Scorpion Nominees means Scorpion Nominees (BVI) Limited of Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, VG.

Second Offer Period has the meaning given in Article 13.7.1.

Second Surplus Shares has the meaning given in Article 13.7.3.

Seller has the meaning set out in Article 13.2.

Seller's Shares has the meaning given in Article 16.1.

Selling Shareholder has the meaning given in Article 16.1.

Shareholder means any holder of any Shares.

Shareholders Entitled has the meaning given in Article 35.1.2.

Shareholder Majority means those Shareholders holding in aggregate at least 50.1% in number of the Shares.

Shareholder Majority Consent means the prior written consent of the Shareholder Majority.

Shares means the Preferred Shares, the Ordinary Shares and/or any other class of share in the capital of the Company from time to time.

Share Sale means the sale of (or the grant of a right to acquire or to dispose of) any of the shares in the capital of the Company (in one transaction or as a series of transactions) which will result in the purchaser of those shares (or grantee of that right) and persons Acting in Concert with him together having an interest directly or indirectly in Shares conferring in aggregate more than 50% of the total voting rights conferred by all the issued Shares.

Smartpipe SPC means Smartpipe SPC, a segregated portfolio of DP Ventures Holdings SPC, whose registered address is C/o Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands.

Spouse means a person who is married to or who is in a civil partnership with a Shareholder (provided such a person is not estranged from the Shareholder).

Subscribers shall have the meaning given in Article 9.4.

Subscription Agreement means the agreement to subscribe for Shares between the Company and the Shareholders dated on the Date of Adoption.

Subscription Period shall have the meaning given in Article 9.5.1.

Subsidiary, Subsidiary Undertaking and Parent Undertaking have the respective meanings set out in sections 1159 and 1162 of the Act.

Tag-along Shareholders has the meaning given in Article 15.2.

Tag-along Transaction means a transfer, other than a transfer to a Permitted Transferee, by any Shareholders, which results in those Shareholder(s) ceasing to hold a Controlling Interest or a New Shareholder acquiring a Controlling Interest (whether in a single transaction or series of related transactions).

Terms of Offer shall have the meaning given in Article 9.4.

Tiptana means Tiptana LLC of PO Box 11501 Atlanta, Georgia, GA 30355 USA.

Transfer Notice shall have the meaning given in Article 13.2.

Transfer Price shall have the meaning given in Article 13.2.3.

Trustees means the trustees of a Family Trust.

Verdict Advisors means Verdict Advisors Limited of PO Box 3159, Road Town, Tortola, VG.

Warrant Shares have the meaning given in Article 9.1.

Warrants shall have the meaning given to it in the equity warrant instrument dated on or around the Date of Adoption and made by the Company.

Wilton Trust means Wilton Trustees (IOM) Limited of Grosvenor House, 66-67 Athol Street, Douglas, IM1 1JE, IM.

Wren Capital means Wren Capital LLP of 52 Jermyn Street, London, SW1Y 6LX, GB.

3. Share Capital

- 3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking *pari passu* in all respects with the shares of the relevant class then in issue.
- 3.2 The share capital of the Company at the Date of Adoption is comprised of Ordinary Shares. Except as otherwise provided in these Articles, the Shares shall rank *pari passu* in all respects.
- 3.3 When the Company sub-divides or consolidates all or any of its Shares, the Company may, subject to the Act and to these Articles, by ordinary resolution determine that, as between the Shares resulting from the sub-division or consolidation, any of them may have any preference or advantage or be subject to any restriction as compared with the others.
- 3.4 Subject to the Act, the Company may purchase its own Shares to the extent permitted by section 692(1ZA) of the Act.

4. Dividends

- 4.1. In respect of any Financial Year, the Company's Available Profits will be applied as set out in this Article 4.
- 4.2. Any Available Profits which the Directors (acting with Representative Director Consent) may determine to distribute in respect of any Financial Year will be distributed among the Shareholders *pro rata* to their respective holdings of Shares calculated on a *pari passu* basis.
- 4.3. Subject to the Act and these Articles, the Board may in its sole discretion pay interim dividends if justified by the Available Profits in respect of the relevant period.
- 4.4. A capitalised sum which was appropriated from profits available for distribution may be applied in or towards paying up any sums unpaid on existing Shares held by the persons entitled to such capitalised sum.
- 4.5. If:
 - 4.5.1. a Share is subject to the Company's Lien; and
 - 4.5.2. the Directors are entitled to issue a Lien Enforcement Notice in respect of it, they may, instead of issuing a Lien Enforcement Notice, deduct from any dividend or other sum payable in respect of the Share any sum of money which is payable to the Company by the holder of that Share to the extent that they are entitled to require payment under a Lien Enforcement Notice Money so deducted shall be used to pay any of the sums payable in respect of that Share and/or used to discharge any other indebtedness owing from the holder of that Share to the Company (as the Board may decide). The Company shall notify the distribution recipient in writing of:
 - (a) the fact and sum of any such deduction;
 - (b) any non-payment of a dividend or other sum payable in respect of a Share resulting from any such deduction; and
 - (c) how the money deducted has been applied.
- 4.6. Article 31(1) of the Model Articles shall be amended by:
 - 4.6.1. the replacement of the words "either in writing or as the directors may otherwise decide" at the end of paragraphs (a), (b) and (c) of that article 31(1) with the words "in writing"; and
 - 4.6.2. the replacement of the words "either in writing or by such other means as the directors decide" from the end of paragraph (d) of that article 31(1) with the words "in writing".

5. Liquidation or Return of Capital

On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall (to the extent that the Company is lawfully permitted to do so) be distributed amongst Shareholders *pro rata* to their respective holdings of Shares calculated on a *pari passu* basis.

6. Exit Provisions

- 6.1 On a Share Sale, the Proceeds of Sale shall be distributed amongst Shareholders *pro rata* to their respective holdings of Shares calculated on a *pari passu* basis.
- 6.2 In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution amongst Shareholders *pro rata* to their respective holdings of Shares calculated on a *pari passu* basis.
- 6.3 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in accordance with the provisions of these Articles, the Shareholders shall take any action approved by Shareholder Majority Consent (including, but without prejudice to the generality of this Article 6.3, actions that may be necessary to put the Company into voluntary liquidation so that Article 5 applies).

7. Votes in General Meeting

- 7.1 The Shares shall confer on each Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 7.2 Where Shares confer a right to vote, on a show of hands each holder of such shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share held by him.

8. Variation of Rights

- 8.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) the written consent of holders of more than 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 rights of those existing classes of shares (notwithstanding any amendment to these Articles made to provide for the rights of such new class of share).
- 8.3 No voting rights attached to a share which is nil paid may be exercised:
 - 8.3.1 at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
 - 8.3.2 on any proposed written resolution,unless all or some of the amounts payable to the Company in respect of that share have been paid.

9. Allotment of New Shares or Other Securities: Permitted Issue and Pre-Emption

- 9.1 The provisions of this Article 9 do not apply to any Shares allotted pursuant to the exercise of any Warrants (**Warrant Shares**) so that, for the avoidance of doubt, there

shall be no requirement for the Company to offer any Warrant Shares to the Subscribers.

9.2 For the purposes of section 551 of the Act, the Directors are generally and unconditionally authorised to exercise any powers of the Company to offer or allot New Securities and otherwise deal in, or dispose of New Securities, up to a maximum of:

9.2.1 5,360,625 Ordinary Shares being equivalent to 72% of the Company's issued share capital on the date of adoption of these Articles on a fully diluted basis to the CLN Shareholders and the New Investors, at any time or times during the period of five years from the date of adoption of these Articles;

9.2.2 1,704,508 Ordinary Shares being equivalent to 23% of the Company's issued share capital on the date of adoption of these Articles on a fully diluted basis to Managers or Employees pursuant to an Employee Share Scheme, at any time or times during the period of five years from the date of adoption of these Articles; and

9.2.3 400,000 Ordinary Shares being equivalent to 5% of the Company's issued share capital on the date of adoption of these Articles on a fully diluted basis subject to the provisions of Article 9.3 and at any time or times during the period of five years from the date of adoption of these Articles,

with such rights or restrictions as they may determine (each a "Permitted Issue"). This authority may be renewed, varied or revoked from time to time by the Company in general meeting. The Directors may before this authority expires make an offer or agreement which would or might require Shares to be allotted after it expires and may allot Shares in pursuance of that offer or agreement.

9.3 Notion shall have a right of first refusal in respect of a Permitted Issue made pursuant to Article 9.2.3 (although not in respect of a Permitted Issue pursuant to 9.2.1 or 9.2.2 inclusive) to subscribe for up to £400,000 at the same price per Share and same valuation as the subscription for Shares completed on the Date of Adoption pursuant to the Subscription Agreement (**Notion Subscription Right**). The Notion Subscription Right shall expire on the earlier of:

9.3.1 30 days after a sale (or completion of a series of sales within a 6 month period) from Notion's Fund which generates (or which in aggregate generate) sufficient fees for Notion to subscribe the Shares pursuant to the Notion Subscription Right;

9.3.2 Completion of the Next Round of Investment; or

9.3.3 31 July 2020 (**Notion Priority Period**)

and where the Notion Subscription Right and Notion Priority Period expires, the provisions of Articles 9.4 to 9.8 shall apply.

9.4 Subject to Article 9.1 and save in respect of a Permitted Issue, unless otherwise agreed by a special resolution of shareholders passed in general meeting or as a written resolution, if the Company proposes to allot any New Securities, those New Securities (regardless as to the class of such New Securities) shall not be allotted to any person unless the Company has in the first instance offered them to all holders

of Shares (**Subscribers**) 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 Shares held by those holders (as nearly as may be without involving fractions) (**Terms of Offer**).

9.5 The Terms of Offer:

9.5.1 shall be in writing, be open for acceptance from and including the date of the offer to (and including) the date ten Business Days after the date of the offer (**Subscription Period**) and shall give details of the number and subscription price of the New Securities; and

9.5.2 may stipulate that any Shareholder who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities (**Excess Securities**) for which they wish to subscribe.

9.6 At the end of the Subscription Period, any New Securities not accepted by Subscribers pursuant to the offer made to them in accordance with Article 9.4 shall be used for satisfying any requests for Excess Securities made pursuant to Article 9.5.2 and in the event that there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the Subscribers on a pro rata basis to the number of Shares held by the Subscribers immediately prior to the offer made to Subscribers in accordance with Article 9.4 (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber 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 Subscribers.

9.7 No Shares shall be allotted to any Employee, Director, prospective employee or prospective director of the Company, who in the reasonable opinion of the Board is subject to taxation in the United Kingdom, unless such person has entered into a joint section 431 ITEPA election with the Company, or, if subject to tax in any other jurisdiction, any analogous tax election in any other jurisdiction, if so required by the Company.

9.8 Any New Securities offered under this Article 9 to any Shareholder may be accepted in full or part only by a Member of the same Fund Group as that Shareholder or a Member of the same Group as that Shareholder in accordance with the terms of this Article 9.

10. **Transfers of Shares - General**

10.1 In Articles 10 to 15 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.

10.2 No Share may be transferred unless the transfer is made in accordance with these Articles.

10.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.

- 10.4 Any transfer of a Share by way of sale which is required to be made under Articles 13 to 15 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee free from all Encumbrances.
- 10.5 The Directors may refuse to register a transfer if:
- 10.5.1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
 - 10.5.2 the transfer is to an Employee, Director or prospective Employee or prospective director of the Company and such person has not entered in a joint section 431 ITEPA election with the Company;
 - 10.5.3 it is a transfer of a Share which is not fully paid:
 - (a) to a person of whom the Directors do not approve; or
 - (b) on which Share the Company has a lien;
 - 10.5.4 the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
 - 10.5.5 the transfer is not accompanied by the certificate for the Shares to which it relates (or an indemnity for lost certificate in a form acceptable to the Board) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - 10.5.6 the transfer is in respect of more than one class of Shares;
 - 10.5.7 the transfer is in favour of more than four transferees; or
 - 10.5.8 these Articles otherwise provide that such transfer shall not be registered,
- if the Directors refuse to register a transfer, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.
- 10.6 To enable the Directors to determine whether or not there has been any Disposal of shares in the capital of the Company (or any interest in shares in the capital of the Company) in breach of these Articles the Directors may require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name.
- 10.7 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

- 10.7.1 the Shareholder whose Shares are the subject of such Transfer Notice shall be the Seller;
 - 10.7.2 the Transfer Price for the Sale Shares will be as agreed between the Board (including Representative Director Consent) (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares as determined in accordance with Article 17;
 - 10.7.3 it does not include a Minimum Transfer Condition (as defined in Article 13.2.4); and
 - 10.7.4 the Seller wishes to transfer all of the Shares held by it.
- 10.8 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:
- 10.8.1 the transferor; and
 - 10.8.2 (if any of the shares is partly or nil paid) the transferee.

11. Lock-Up

Save for where:

- 11.1 there is an Exit event;
 - 11.2 the provisions of Articles 15 or Article 16 are triggered; or
 - 11.3 the Manager is acting with Board approval and Representative Director Consent,
- no Manager may transfer their Shares on or before the fourth anniversary of the Date of Adoption.

12. Permitted Transfers

- 12.1 Subject to Article 12.6 and Representative Director Consent (such consent not to be unreasonably withheld or delayed), if the proposed transfer falls within the relevant paragraph below, the following Disposals of Shares (each, a **Permitted Transfer**) may be made free of restrictions as to price or otherwise:
- 12.1.1 a Disposal where each other Shareholder has given its prior written consent to such Disposal (such consent not to be unreasonably withheld or delayed);
 - 12.1.2 a Disposal to a Family Member;
 - 12.1.3 a Disposal to an Associate of the relevant Shareholder, provided that the terms of such Disposal shall provide that if the Associate ceases to be, an Associate of the Shareholder, the Shareholder shall procure that the Shares are immediately transferred back to the original Shareholder or to another Associate of the original Shareholder;

12.1.4 in the case of Shares held for the time being on a Family Trust, any Disposal to a beneficiary of that Family Trust or, on a change of trustees, to the new trustees of that Family Trust;

12.1.5 a Disposal made in accordance with Article 13; or

12.1.6 a Disposal contemplated by Articles 14, 15 or 16,

provided that no Disposal of Shares shall be permitted at any time to a Restricted Person.

12.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise. Shares previously transferred as permitted by this Article 12.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

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

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

12.5 Trustees may:

12.5.1 transfer Shares to a Qualifying Company;

12.5.2 transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or

12.5.3 transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

12.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:

12.6.1 with the terms of the trust instrument and in particular with the powers of the trustees;

12.6.2 with the identity of the proposed trustees;

- 12.6.3 the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
- 12.6.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 12.7 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (any may do so without restriction as to price or otherwise) failing which it will be deemed (unless it obtains the approval of the Board to have given a Transfer Notice in respect of such Shares.
- 12.8 If a Permitted Transferee who is a spouse or Civil Partner of the Original Shareholder ceases to be a spouse or Civil Partner of the Original Shareholder whether by reason of divorce or otherwise he must, within 15 Business Days of so ceasing either:
- 12.8.1 execute and deliver to the Company a transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
- 12.8.2 give a Transfer Notice to the Company in accordance with Article 13.2,
- failing which he shall be deemed (unless it obtains the approval of the Board) to have given a Transfer Notice.
- 12.9 On the death (subject to Article 12.2), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver, execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.
- 12.10 Notwithstanding any other provision of these Articles to the contrary, a transfer of any Shares approved by the Board and the Investor Majority may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.
- 12.11 Any Shares may at any time be transferred where there is a sale of the entire issued share capital of the Company to a Holding Company, which has been approved by a majority of the Board.

13. Transfers of Shares subject to Pre-emption Rights

13.1 Save where the provisions of Articles 11 and 16 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 13.

13.2 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:

13.2.1 the number of Shares which he wishes to transfer (**Sale Shares**);

13.2.2 if he wishes to sell the Sale Shares to a third party, to the extent such third party has been identified as at the date of the Transfer Notice, the name of the proposed transferee;

13.2.3 the price (in cash) at which he wishes to transfer the Sale Shares (**Transfer Price**); and

13.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**),

if no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (**Transfer Price**) must be agreed by the Board (including Representative Director Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (including Representative Director Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is so agreed within five Business Days of the Company receiving the Transfer Notice.

13.3 Except with the consent of the Board (acting with Representative Director Consent), no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

13.5 As soon as practicable following the later of:

13.5.1 receipt of a Transfer Notice; and

13.5.2 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 17,

for the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 13.6 to 13.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

13.6 Transfers: First Offer

13.6.1 The Board shall offer the Sale Shares to all Shareholders (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 15 Business Days

after the offer (inclusive) (**First Offer Period**) for the maximum number of Sale Shares they wish to buy.

- 13.6.2 If the Sale Shares are subject to a Minimum Transfer Condition, then any allocation made under Articles 13.6 and 13.7 will be conditional on the fulfilment of the Minimum Transfer Condition.
- 13.6.3 If, at the end of the First Offer Period, the number of Sale Shares applied for by Continuing Shareholders is equal to or exceeds the number of Sale Shares available to the Continuing Shareholders, the Board shall allocate the Sale Shares available to the Continuing Shareholders to each Continuing Shareholder on a pro rata basis to his existing holding of Shares (fractional entitlements being rounded to the nearest whole number) provided that 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.
- 13.6.4 If not all Sale Shares are allocated in accordance with Article 13.6.3 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 13.6.3.
- 13.6.5 If, at the end of the First Offer Period, the number of Sale Shares applied for by Continuing Shareholders is less than the number of Sale Shares available to the Continuing Shareholders, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (**Initial Surplus Shares**) will be dealt with in accordance with Article 13.7.

13.7 Transfers: Second Offer

- 13.7.1 At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to the Continuing Shareholders inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (**Second Offer Period**) for the maximum number of the Initial Surplus Shares they wish to buy.
- 13.7.2 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for by Continuing Shareholders exceeds the number of Initial Surplus Shares available to the Continuing Shareholders, the Board shall allocate the remaining Initial Surplus Shares available to the Continuing Shareholders to each Continuing Shareholder on a pro rata basis to his existing holding of Shares (fractional entitlements being rounded to the nearest whole number) provided that 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.
- 13.7.3 If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for by Continuing Shareholders is less than the number of Initial Surplus Shares available to the Continuing Shareholders, the Board shall allocate the Initial Surplus Shares available to the Continuing Shareholders to the Continuing Shareholders in accordance with their applications and the balance (**Second Surplus Shares**) will be offered to any other person in accordance with Article 13.8.5.

13.8 Completion of transfer of Sale Shares

- 13.8.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for at the end of the Second Offer Period does not meet the Minimum Transfer Condition in its entirety, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 13.6 and 13.7 stating that the condition has not been met and that the offer made to the Continuing Shareholders in respect of the Sale Shares (as well as the relevant Transfer Notice) has lapsed with immediate effect, and the provisions of Article 13.8.6 shall apply.
- 13.8.2 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 13.6 and 13.7, give written notice of allocation (an **Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (an **Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 10 Business Days nor more than 20 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.
- 13.8.3 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.
- 13.8.4 If the Seller fails to comply with the provisions of Article 13.8.3:
- (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 for lost certificate, in a form acceptable to the Board).
- 13.8.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 13.8.7, the Seller may, within 12 weeks after service of the

Allocation Notice, transfer the Second Surplus Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Second Surplus Shares shall continue to be subject to any Minimum Transfer Condition.

- 13.8.6 If the Transfer Notice does include a Minimum Transfer Condition and allocations have not been made in respect of all of the Sale Shares, then, subject to Article 13.8.7, the Seller may, within 12 weeks after service of the Allocation Notice, transfer the Sale Shares to any person at a price at least equal to the Transfer Price provided that the sale of the Sale Shares shall continue to be subject to any Minimum Transfer Condition.
- 13.8.7 The right of the Seller to transfer Shares under Article 13.8.5 and Article 13.8.6 does not apply if the Board is of the opinion on reasonable grounds that:
- (a) 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
 - (b) 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; or
 - (c) the proposed transferee or any of its Associates is a Restricted Person.¹
- 13.9 Any Sale Shares offered under this Article 13 to a Shareholder may be accepted in full or part only by a Member of the same Fund Group as that Shareholder or a Member of the same Group as that Shareholder in accordance with the terms of this Article 13.
- 14. Compulsory Transfers**
- 14.1 Each Shareholder who is not an Investor undertakes to notify the Company in writing forthwith if any Event of Default occurs.
- 14.2 If an Event of Default occurs and the Company so determines by notice in writing to the Defaulting Shareholder given at any time, the Defaulting Shareholder (and its Permitted Transferees and any nominees) shall be deemed to have given a Transfer Notice. This Article 14.2 shall not apply to a Shareholder that is an Investor.
- 14.3 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 14.4 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- 14.4.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or

¹ F&Co Note: Please confirm that this is still applicable?

- 14.4.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder,

If either requirement in this Article 14.4 shall not be fulfilled to the satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.

- 14.5 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, the relevant Shareholder (and all its Permitted Transferees and any nominees) shall be deemed to have given a Transfer Notice in respect of all the Shares held by the relevant Shareholder and its Permitted Transferees and nominees (if any) save to the extent that the Directors may determine.

- 14.6 If, in relation to any Shareholder that is a company, there is:

14.6.1 a change in control (as control is defined in section 1124 of the CTA 2010);
or

14.6.2 a successful IPO.

that Shareholder shall be bound at any time, if and when required in writing by the Directors to do so, to give (or, in the case of its Permitted Transferees and any nominees, procure the giving of) a Transfer Notice in respect of all the Shares registered in its names and the names of its Permitted Transferees and nominees (if any) and, if it fails to do so, shall be deemed to have served a Transfer Notice.

- 14.7 Article 14.6 shall only apply to an Investor if the Shares held by the relevant Shareholder represent all or substantially all of its assets such that the change of control or IPO would have the indirect effect of setting a value for the Shares.

15. Tag-along

- 15.1 Subject to Article 16, the provisions of Article 15 will apply if one (or more) Proposed Seller propose to effect a Tag-along Transaction.

- 15.2 The Proposed Seller shall give written notice to all of the other Shareholders offering all of the other Shareholders (the **Tag-along Shareholders**) the option to participate in such Tag-along Transaction over an aggregate number of their Ordinary Shares equal to the portion of the Proposed Seller's Shares that it proposes to transfer under the Tag-along Transaction (a **Sale Notice**) on the terms and conditions set forth in the Sale Notice (which shall be terms and conditions no less favourable or burdensome than those which apply to the Proposed Seller).

- 15.3 In connection with the proposed Tag-along Transaction, the Sale Notice shall include:

15.3.1 the identity of the parties;

15.3.2 a summary of the material terms and conditions of such transaction, including the aggregate number of Ordinary Shares the proposed transferee has offered to purchase; and

15.3.3 the proposed amount and form of consideration and the terms and conditions of payment.

15.4 Each Tag-along Shareholder may, by written notice to the Proposed Seller delivered within ten Business Days of the date of receipt of the Sale Notice, irrevocably elect to participate in such Tag-along Transaction, on the terms and conditions approved by the Proposed Seller and consistent with those set forth in the Sale Notice provided that if the Proposed Purchaser has offered to purchase an aggregate number of Shares that is less than the aggregate number of Shares proposed to be transferred by the Proposed Seller and the Tag-along Shareholders in the Tag-along Transaction, then at the election of the Proposed Seller:

15.4.1 the Proposed Seller may cancel such Tag-along Transaction; or

15.4.2 each of the Proposed Seller and the Tag-along Shareholders shall be permitted to sell only that number of Shares equal to the product of:

(a) the aggregate number of Shares such Proposed Purchaser has offered to purchase in such Tag-along Transaction; and

(b) such the Proposed Seller and Tag-along Shareholders' proportionate percentage.

15.5 Each Tag-along Shareholder shall cooperate in and take all actions that the Proposed Seller deems reasonably necessary to complete the Tag-along Transaction, including entering into agreements and delivering instruments, in each case consistent with the agreements being entered into and the instruments being delivered by the Proposed Seller (provided that, in all cases, no such cooperation and/or action shall adversely prejudice the Dragged Shareholder in relation to the Proposed Seller in any manner). At completion of any sale of any Shares pursuant to this Article 15, each Tag-along Shareholder shall deliver, against payment of the purchase price therefor, certificates representing their Shares to be sold (or suitable indemnities in lieu thereof), duly executed forms of transfer in respect of their Shares to be sold and such other documents as are deemed reasonably necessary by the Company for the proper transfer of such Shares.

16. Drag-along

16.1 If any one (or more) Shareholders holding in aggregate equal to or more than 50.1% of the Shares in number (**Selling Shareholders**) wish to transfer all their interest in Shares (**Sellers' Shares**) to a Proposed Purchaser who is neither a Shareholder nor an Associate of or a person Acting in Concert with a Shareholder, the Selling Shareholders shall have the option (**Drag Along Option**) to require all the other holders of Shares (**Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article 16.

16.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **Drag Along Notice**) to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify:

16.2.1 that the Called Shareholders are required to transfer all their Shares (**Called Shares**) under this Article 16;

16.2.2 the person to whom they are to be transferred;

- 16.2.3 the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article 16); and
- 16.2.4 the proposed date of transfer,
- (and, in the case of Articles 16.2.3 and 16.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice).
- 16.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 20 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 16.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called shares and the Sellers' shares in accordance with the provisions of Article 4 (the **Drag Consideration**).
- 16.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article 16.
- 16.6 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee free from all Encumbrances (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee free from all Encumbrances of the Shares held by such Called Shareholder.
- 16.7 On the date falling five Business Days after the Proposed Purchaser serves a Drag Along Notice on the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (**Drag Completion Date**), each Called Shareholder shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company (the stock transfer forms and the share certificate(s) together being the **Drag Documents**).
- 16.8 On the Drag Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the Drag Consideration payable and due to such Called Shareholders, to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt of the Drag Consideration shall be a good discharge to the Proposed Purchaser. The Company shall hold the Drag Consideration in trust for the Called Shareholders without any obligation to pay interest.
- 16.9 To the extent that the Proposed Purchaser has not, on the Drag Completion Date, put the Company in funds to pay the amounts due pursuant to Article 16.4, the Called Shareholders shall be entitled to the return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 16.9 in respect of their Shares.
- 16.10 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company on the Drag Completion Date, the

Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, on the Drag Completion Date, put the Company in funds to pay the amounts due pursuant to Article 16.4 for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable executed indemnity) to the Company.

16.11 Any transfer of Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 13.

16.12 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (**New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

17. Valuation of Shares

17.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served, the Transfer Price shall be the Fair Value for the relevant Shares.

17.2 In order to determine the Fair Value, the Board (excluding any director with whom the Seller is connected (within the meaning of section 252 of the Act)) shall either:

17.2.1 appoint expert valuers in accordance with Article 17.3 (**Expert Valuers**) to certify the Fair Value of the Sale Shares; or

17.2.2 if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks, specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

17.3 The Expert Valuers will be either:

17.3.1 an independent firm of financial advisers of recognised international standing (acting as expert and not as an arbitrator) nominated by the Company and who, in the opinion of the Board, has no personal interest which might be reasonably expected to conflict with the performance of the role for which he is so nominated; or

17.3.2 in the event that no such Expert Valuer has been approved by the Board pursuant to Article 17.3.1 within ten Business Days after the date of service of the Transfer Notice, such individual nominated by the then President of

the Institute of Chartered Accountants in England and Wales on the application of either party.

- 17.4 The **Fair Value** of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:
- 17.4.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
 - 17.4.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
 - 17.4.3 that the Sale Shares are capable of being transferred without restriction but that following completion of such transfer they will remain subject to these Articles;
 - 17.4.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares including any reasonable premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
 - 17.4.5 reflect any other factors which the Expert Valuer reasonably believes should be taken into account.
- 17.5 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 17.6 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 17.7 The Expert Valuers shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 17.8 The Board will give the Expert Valuers access to all accounting records or other relevant documents of the Company subject to them agreeing such confidentiality provisions as the Board may reasonably impose.
- 17.9 The Expert Valuers shall deliver their certificate to the Company As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 17.10 The cost of obtaining the certificate shall be paid by the Company unless:
- 17.10.1 the Seller validly withdraws the Transfer Notice; or
 - 17.10.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the Directors to the Seller for the Sale Share before the Expert Valuer was instructed, in which case the Seller shall bear the cost.

18. General Meetings

- 18.1 If the Directors are required by the Shareholders under section 303 of the Act to call a general meeting, the Directors shall convene the meeting for a date not later than 28 days after the date on which the Directors became subject to the requirement under section 303 of the Act.
- 18.2 The quorum for a general meeting shall be the holders in aggregate of 50.1% of the Shares in person or by proxy or by authorised representative (in the case of a corporate member).
- 18.3 If a quorum is not present within half an hour from the time appointed for the start of a general meeting the meeting shall be adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed for its start, such adjourned general meeting shall be dissolved.
- 18.4 If any two or more Shareholders attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairman.
- 18.5 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.
- 18.6 Polls must be taken in such manner as the chairman directs. A poll demanded on the election of a chairman or on a question of adjournment must be held immediately. A poll demanded on any other question must be held either immediately or at such time and place as the chairman directs not being more than 14 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.
- 18.7 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.
- 18.8 If the poll is to be held more than 48 hours after it was demanded the Shareholders shall be entitled to deliver Proxy Notices in respect of the poll at any time up to 24 hours before the time appointed for taking that poll. In calculating that period, no account shall be taken of any part of a day that is not a working day.

19. Proxies

- 19.1 A proxy may be appointed by using a form of proxy notice, subject to the inclusion of any terms and conditions the Directors decide.
- 19.2 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words "is signed by or on behalf of the shareholder appointing the proxy and

accompanied by any the authority under which it is signed (or a certified copy of such authority or a copy of such authority in some other way approved by the directors)".

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

19.3.1 be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, or via fax to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;

19.3.2 be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairman or to the company secretary or to any Director; or

19.3.3 in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairman or to the company secretary or to any Director, or at the time and place at which the poll is held to the Chairman or to the company secretary or to any Director or scrutineer,

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

- 19.4 Proxies must be received at least 30 minutes before the time appointed for holding a meeting or adjourned meeting or for the taking of the poll as appropriate.

- 19.5 Article 46(3) of the Model Articles shall not apply to the Company.

20. Directors' Borrowing Powers

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

21. Alternate Directors

- 21.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (**Appointer**) may appoint any director or any other person as he thinks fit to be his alternate Director to:

21.1.1 exercise that Director's powers; and

21.1.2 carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

- 21.2 The appointment of an alternate Director shall not require approval by a resolution of the Directors.

- 21.3 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the Directors.
- 21.4 The notice must:
- 21.4.1 identify the proposed alternate; and
 - 21.4.2 in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the Director giving the notice.
- 21.5 An alternate Director shall not be entitled as such to receive any remuneration from the Company, except that he may be paid by the Company such part (if any) of the remuneration otherwise payable to the director by the Company as the director shall from time to time direct.
- 21.6 A Director may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.
- 21.7 Except as these Articles specify otherwise, alternate Directors:
- 21.7.1 are deemed for all purposes to be Directors;
 - 21.7.2 are liable for their own acts and omissions;
 - 21.7.3 are subject to the same restrictions as their Appointors; and
 - 21.7.4 are not deemed to be agents of or for their Appointors,
- and, in particular (without limitation), each alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his Appointor is a member.
- 21.8 An alternate Director's appointment as an alternate shall terminate:
- 21.8.1 when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
 - 21.8.2 on the occurrence in relation to the alternate of any event which, if it occurred in relation to the alternate's Appointor, would result in the termination of the Appointor's appointment as a Director;
 - 21.8.3 on the death of the alternate's Appointor; or
 - 21.8.4 when the alternate's Appointor's appointment as a Director terminates.

22. Number of Directors

Unless and until the Board (acting with Representative Director Consent) shall otherwise determine, the number of Directors shall be not less than three and no more than eight.

23. Appointment of Directors

23.1 The Board shall be comprised of up to:

23.1.1 one chairman;

23.1.2 three Executive Directors;

23.1.3 one CLN Representative Director (appointed in accordance with Articles 23.2.2 below); and

23.1.4 three Investor Directors.

23.2 The following provisions apply to the appointment of directors:

23.2.1 Executive Directors shall be appointed by the Board; and

23.2.2 CLN Representative Directors shall be appointed by the CLN Shareholders (acting by a majority based on the total aggregate number of Shares held by the CLN Shareholders) who shall have the right to appoint one person as the CLN Representative Director (as a non-executive director) to the Board and to remove any CLN Representative Director so appointed and, upon their removal whether by the CLN Shareholders (acting by majority) or otherwise, to appoint such other CLN Representative Director in their place; and

23.2.3 any Shareholder shall for so long as they hold the Required Percentage have the right to appoint a director (**Investor Director**) or an observer to the Board and to remove any Investor Director (or observer) so appointed and, upon their removal whether by the appointing Shareholder or otherwise, to appoint such other Investor Director (or observer) in their place.

23.3 The appointment and removal of any CLN Representative Director or Investor Director under Article 23.2.2 or 23.2.3 shall be by written notice to the Company which shall take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.

23.4 Any Shareholder may for so long as they hold the Lower Threshold but hold less than the Required Percentage, by written notice to the Company, appoint a representative to attend as an observer to each and any Board (or committee) meeting (**Investor Observer**). Any Investor Observer so appointed shall be entitled to speak at such meetings but shall not be entitled to vote.

23.5 Appointment and removal of a CLN Representative Director or an Investor Observer in accordance with Article 23.2 shall be by written notice from the appointing Investor to the Company which shall take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.

23.6 The Board may establish such committees as it may from time to time determine. Any such committee shall serve in an advisory capacity to the Board and require the appropriate consent of the Board (acting with Representative Director Consent) in order to implement any action. For so long as Shareholder has appointed an Investor Observer in accordance with Article 23.4 it shall each have the ability to designate a representative to serve on any Board Committee.

24. Disqualification of Directors

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

24.1.1 he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his office be vacated; or

24.1.2 a majority of his co-Directors serve notice on him in writing, removing him from office.

25. Proceedings of Directors

25.1 The quorum for Directors' meetings shall be a majority of all Directors or their duly appointed alternates.²

25.2 If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or at such time and place as determined by the Directors present at such meeting. The quorum at any such adjourned meeting shall be any three Directors.

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

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

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

25.6 Subject to Article 25.7, provided that he has declared to the Directors, in accordance with the provisions of these Articles and in accordance with the Act, the nature and extent of his interest, a Director may count in the quorum and vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which he has an interest, whether a direct or an indirect interest, or in relation to which he has a duty.

25.7 Where a Relevant Interest of a Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, the interested Director shall not be permitted to vote but shall be included for the purpose of forming the quorum.

² F&Co Note: Please confirm.

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

25.9 A decision of the Directors may take the form of a resolution in writing, where each Eligible Director has signed one or more copies of it, or to which each Eligible Director has otherwise indicated agreement in writing (including confirmation given by electronic means). Reference in article 7(1) of the Model Articles to article 8 of the Model Articles shall be deemed to include a reference to this article also.

26. Directors' Interests

26.1 Specific Interests of a Director

Subject to the provisions of the Act and provided 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:

26.1.1 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;

26.1.2 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;

26.1.3 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;

26.1.4 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;

26.1.5 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;

26.1.6 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;

26.1.7 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest; or

26.1.8 any other interest authorised by ordinary resolution.

26.2 Interests of a Representative Director

In addition to the provisions of Article 26.1, subject to the provisions of the Act and provided 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 Representative 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:

- 26.2.1 an Investor;
- 26.2.2 a Fund Manager which advises or manages an Investor;
- 26.2.3 any of the funds advised or managed by a Fund Manager who advises or manages an Investor from time to time; or
- 26.2.4 another body corporate or firm in which an Investor, or a Fund Manager who advises or manages an Investor or any fund advised or managed by such Fund Manager has directly or indirectly invested, including without limitation any portfolio companies.

26.3 Terms and Conditions of Board Authorisation

Subject to Article 26.4, 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:

- 26.3.1 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 27.7 and 27.8, so far as is permitted by law, in respect of such Interested Director;
- 26.3.2 be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
- 26.3.3 an Interested Director must act in accordance with any such terms, conditions or limitations imposed by the authorising Directors pursuant to section 175(5)(a) of the Act and this Article 26.

26.4 Terms and conditions of Board Authorisation for a Representative Director

Notwithstanding the other provisions of this Article 26, it shall not (save with the consent in writing of a Representative Director) be made a condition of any authorisation of a matter in relation to that Representative Director in accordance with section 175(5)(a) of the Act, that he shall be restricted from voting or counting in the quorum at any meeting of, or of any committee of the Directors or that he shall be required to disclose, use or apply confidential information as contemplated in Article 26.5.2.

26.5 Director's Duty of Confidentiality to a Person other than the Company

26.5.1 Subject to Article 26.5.2 (and without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article 26.5), if a Director, otherwise than by virtue of his position as director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

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

26.5.2 Where such duty of confidentiality arises out of a situation in which a Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 26.4 shall apply only if the conflict arises out of a matter which falls within Article 26.1 or has been authorised under section 175(5)(a) of the Act.

26.6 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:

- 26.6.1 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
- 26.6.2 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.

26.7 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 26.1 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:

- 26.7.1 falling under Article 26.1.7;
- 26.7.2 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
- 26.7.3 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.

26.8 Shareholder Approval

- 26.8.1 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 26.
- 26.8.2 For the purposes of this Article 26:
 - (a) a conflict of interest includes a conflict of Interest and duty and a conflict of duties;
 - (b) the provisions of section 252 of the Act shall determine whether a person is connected with a Director;
 - (c) a general notice to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified.

27. Notices

- 27.1 Subject to the requirements set out in the Act, any notice given or document sent or supplied to or by any person under these Articles, or otherwise sent by the Company under the Act, may be given, sent or supplied:
 - 27.1.1 in hard copy form;
 - 27.1.2 in electronic form; or
 - 27.1.3 (by the Company) by means of a website (other than notices calling a meeting of Directors),

or partly by one of these means and partly by another of these means Notices shall be given and documents supplied in accordance with the procedures set out in the Act, except to the extent that a contrary provision is set out in this Article 27.

27.2 Notices in hard copy form

Any notice or other document in hard copy form given or supplied under these Articles may be delivered or sent by first class post (airmail if overseas):

- 27.2.1 to the Company or any other company at its registered office; or
- 27.2.2 to the address notified to or by the Company for that purpose; or
- 27.2.3 in the case of an intended recipient who is a member or his legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
- 27.2.4 in the case of an intended recipient who is a Director or alternate, to his address as shown in the register of Directors; or
- 27.2.5 to any other address to which any provision of the Companies Acts (as defined in the Act) authorises the document or information to be sent or supplied; or
- 27.2.6 where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in 27.2.1 to 27.2.5 above, to the intended recipient's last address known to the Company.

27.3 Any notice or other document in hard copy form given or supplied under these Articles shall be deemed to have been served and be effective:

- 27.3.1 if delivered, at the time of delivery;
- 27.3.2 if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

27.4 Notices in Electronic Form

Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:

- 27.4.1 if sent by fax or email (provided that a fax number or an address for email has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
- 27.4.2 if delivered or sent by first class post (airmail if overseas) in an electronic form (such as sending a disk by post), be so delivered or sent as if in hard copy form under Article 27; or
- 27.4.3 be sent by such other electronic means (as defined in section 1168 of the Act) and to such address(es) as the Company may specify:
 - (a) on its website from time to time; or
 - (b) by notice (in hard copy or electronic form) to all members of the Company from time to time.

27.5 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:

27.5.1 if sent by facsimile or email (where a fax number or an address for email has been notified to or by the Company for that purpose), on receipt or 48 hours after the time it was sent, whichever occurs first;

27.5.2 if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;

27.5.3 if delivered in an electronic form, at the time of delivery; and

27.5.4 if sent by any other electronic means as referred to in Article 27.4.3, at the time such delivery is deemed to occur under the Act.

27.6 Where the Company is able to show that any notice or other document given or sent under these Articles by electronic means was properly addressed with the electronic address supplied by the intended recipient, the giving or sending of that notice or other document shall be effective notwithstanding any receipt by the Company at any time of notice either that such method of communication has failed or of the intended recipient's non-receipt.

27.7 Notice by means of a website

Subject to the provisions of the Act, any notice or other document or information to be given, sent or supplied by the Company to Shareholders under these Articles may be given, sent or supplied by the Company by making it available on the Company's website.

27.8 General

In the case of joint holders of a share all notices shall be given to the joint holder whose name stands first in the register of members of the Company in respect of the joint holding (**Primary Holder**). Notice so given shall constitute notice to all the joint holders.

27.9 Anything agreed or specified by the Primary Holder in relation to the service, sending or supply of notices, documents or other information shall be treated as the agreement or specification of all the joint holders in their capacity as such (whether for the purposes of the Act or otherwise).

28. Indemnities and Insurance

28.1 Subject to the provisions of the 2006 Act (but so that this Article 28.1 does not extend to any matter insofar as it would cause this Article or any part of it to be void thereunder), the Company shall:

28.1.1 without prejudice to any indemnity to which the person concerned may otherwise be entitled, indemnify any Director or other officer (other than an auditor) of the Company and any associated company against all losses and liabilities incurred by him in the actual or purported execution, or discharge, of his duties in relation to:

(a) the Company;

- (b) any associated company; and
- (c) any occupational pension scheme of which the Company or any associated company is a trustee,

including (without prejudice to the generality of the foregoing) and liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which the court grants him relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company, any associated company or any occupational pension scheme of which the Company or any associated company is a trustee; and

- 28.1.2 without prejudice to the provisions of Article 28.1.1, purchase and maintain insurance for any person who is or was a Director or officer against any loss or liability which he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust or otherwise in relation to the Company, any associated company or any occupational pension scheme of which the Company or any associated company is a trustee,

where for the purposes of this Article 28.1, the expression associated company bears the same meaning as in section 256 of the 2006 Act.

- 28.2 Regulation 52 of the Regulations shall not apply to the Company.
- 28.3 The Company shall (at the cost of the Company) effect and maintain for each Director policies of insurance insuring each Director against risks in relation to his office as each director may reasonably specify including without limitation, any liability which by virtue of any rule of law may attach to him in respect of any negligence, default of duty or breach of trust of which he may be guilty in relation to the Company.

29. Data Protection

Each of the Shareholders and Directors of the Company (from time to time) consent to the processing of their Personal Data by the Company, its Shareholders and Directors (each a **Recipient**) for the purpose of performing the Company's obligations to Recipients and purposes ancillary thereto, due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information among themselves. A Recipient may process the personal data either electronically or manually. The personal data which may be processed under this Article 29 shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or other regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to a Member of the same Group (**Recipient Group Companies**) and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Shareholders and Directors (from time to time) consent to the transfer of relevant Personal Data to persons acting on behalf of the Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

30. Secretary

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

31. Lien

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

31.2 The Company's Lien over a Share:

31.2.1 shall take priority over any third party's interest in that Share; and

31.2.2 extends 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

31.3 Subject to the provisions of this Article 31, if:

31.3.1 a notice complying with Article 31.4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and

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

the Company shall be entitled to sell that Share in such manner as the Directors decide.

31.4 A Lien Enforcement Notice:

31.4.1 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;

31.4.2 must specify the Share concerned;

31.4.3 must require payment of the sum payable within 14 days of the notice;

31.4.4 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

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

31.5 Where any Share is sold pursuant to this Article 31:

31.5.1 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

- 31.5.2 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.
- 31.6 The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied:
- 31.6.1 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;
- 31.6.2 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 (whether or not it is presently payable) as existing upon the Share before the sale in respect of all Shares registered in the name of that person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 31.7 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:
- 31.7.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
- 31.7.2 subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.
- 32. Call Notices**
- 32.1 Subject to these Articles and the terms on which Shares are allotted, the Directors may send a notice (a **Call Notice**) to a Shareholder who has not fully paid for that Shareholder's Share(s) requiring the Shareholder to pay the Company a specified sum of money (a **Call**) which is payable to the Company by that Shareholder when the Directors decide to send the Call Notice.
- 32.2 A Call Notice:
- 32.2.1 may not require a Shareholder to pay a Call which exceeds the total sum unpaid on that Shareholder's Shares (whether as to the Share's nominal value or any sum payable to the Company by way of premium);
- 32.2.2 shall state when and how any Call to which it relates it is to be paid; and
- 32.2.3 may permit or require the Call to be paid by instalments.
- 32.3 A Shareholder shall comply with the requirements of a Call Notice, but no Shareholder shall be obliged to pay any Call before 14 days have passed since the notice was sent.
- 32.4 Before the Company has received any call due under a Call Notice the Directors may:
- 32.4.1 revoke it wholly or in part; or

- 32.4.2 specify a later time for payment than is specified in the Call Notice, by a further notice in writing to the Shareholder in respect of whose Shares the call is made.
- 32.5 Liability to pay a Call shall not be extinguished or transferred by transferring the Shares in respect of which it is required to be paid Joint holders of a Share shall be jointly and severally liable to pay all Calls in respect of that Share.
- 32.6 Subject to the terms on which Shares are allotted, the Directors may, when issuing Shares, provide that Call Notices sent to the holders of those Shares may require them to:
- 32.6.1 pay Calls which are not the same; or
- 32.6.2 pay Calls at different times.
- 32.7 A Call Notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share (whether in respect of nominal value or premium):
- 32.7.1 on allotment;
- 32.7.2 on the occurrence of a particular event; or
- 32.7.3 on a date fixed by or in accordance with the terms of issue.
- 32.8 If the due date for payment of such a sum as referred to in Article 32.7 has passed and it has not been paid, the holder of the Share concerned shall be treated in all respects as having failed to comply with a Call Notice in respect of that sum, and shall be liable to the same consequences as regards the payment of interest and forfeiture.
- 32.9 If a person is liable to pay a Call and fails to do so by the Call Payment Date (as defined below):
- 32.9.1 the Directors may issue a notice of intended forfeiture to that person; and
- 32.9.2 until the Call is paid, that person shall be required to pay the Company interest on the Call from the Call payment date at the Relevant Rate (as defined below).
- 32.10 For the purposes of Article 32.9:
- 32.10.1 the Call Payment Date shall be the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the Call Payment Date is that later date: and
- 32.10.2 the **Relevant Rate** shall be:
- (a) the rate fixed by the terms on which the Share in respect of which the call is due was allotted;
- (b) such other rate as was fixed in the Call Notice which required payment of the call, or has otherwise been determined by the Directors; or
- (c) if no rate is fixed in either of these ways, five per cent per annum,

provided that the Relevant Rate shall not exceed by more than five percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998(a).

- 32.11 The Directors may waive any obligation to pay interest on a Call wholly or in part.
- 32.12 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

33. Forfeiture of Shares

33.1 A notice of intended forfeiture:

- 33.1.1 may be sent in respect of any Share for which there is an unpaid sum in respect of which a call has not been paid as required by a Call Notice;
- 33.1.2 shall be sent to the holder of that Share or to a person entitled to it by reason of the holder's death, bankruptcy or otherwise;
- 33.1.3 shall require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not fewer than 14 days after the date of the notice;
- 33.1.4 shall state how the payment is to be made; and
- 33.1.5 shall state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited.

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

33.3 Subject to these articles, the forfeiture of a Share extinguishes:

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

33.4 Any Share which is forfeited in accordance with these Articles:

- 33.4.1 shall be deemed to have been forfeited when the Directors decide that it is forfeited;
- 33.4.2 shall be deemed to be the property of the Company; and
- 33.4.3 may be sold, re-allotted or otherwise disposed of as the Directors think fit.

33.5 If a person's Shares have been forfeited then:

- 33.5.1 the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
 - 33.5.2 that person shall cease to be a Shareholder in respect of those Shares;
 - 33.5.3 that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
 - 33.5.4 that person shall remain liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
 - 33.5.5 the Directors shall be entitled to waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal.
- 33.6 At any time before the Company disposes of a forfeited Share, the Directors shall be entitled to decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.
- 33.7 If a forfeited Share is to be disposed of by being transferred, the Company shall be entitled to receive the consideration for the transfer and the Directors shall be entitled to authorise any person to execute the instrument of transfer.
- 33.8 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 forfeited on a specified date:
- 33.8.1 shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - 33.8.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 33.9 A person to whom a forfeited Share is transferred shall not be bound to see to the application of the consideration (if any) nor shall that person's title to the Share be affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.
- 33.10 If the Company sells a forfeited Share, the person who held it prior to its forfeiture shall be entitled to receive the proceeds of such sale from the Company, net of any commission, and excluding any sum which:
- 33.10.1 was, or would have become, payable; and
 - 33.10.2 had not, when that Share was forfeited, been paid by that person in respect of that Share,
- but no interest shall be payable to such a person in respect of such proceeds and the Company shall not be required to account for any money earned on such proceeds.
- 34. Surrender of Shares**
- 34.1 A Shareholder shall be entitled to surrender any Share:

34.1.1 in respect of which the Directors issue a notice of intended forfeiture;

34.1.2 which the Directors forfeit; or

34.1.3 which has been forfeited,

the Directors shall be entitled to accept the surrender of any such Share.

34.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.

34.3 The Company shall be entitled to deal with a Share which has been surrendered in the same way as a Share which has been forfeited.

35. Authority to Capitalise and Appropriation of Capitalised Sums

35.1 The Board may, if authorised to do so by an ordinary resolution and with Representative Director Consent:

35.1.1 decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and

35.1.2 appropriate any sum which they so decide to capitalise (**Capitalised Sum**) to such Shareholders and in such proportions as the Board may in their absolute discretion deem appropriate (**Shareholders Entitled**),

for the avoidance of doubt, article 36 of the Model Articles shall not apply to the Company.

35.2 Capitalised Sums may be applied on behalf of such Shareholders and in such proportions as the Board may (in its absolute discretion) deem appropriate.

35.3 Any Capitalised Sum may be applied in paying up new Shares up to the nominal amount (or such amount as is unpaid) equal to the Capitalised Sum, which are then allotted credited as fully paid to the Shareholders Entitled or as they may direct.

35.4 A Capitalised Sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are allotted credited as fully paid to the Shareholders Entitled or as they may direct.

35.5 Subject to the Articles the Board may:

35.5.1 apply Capitalised Sums in accordance with Articles 35.3 and 35.4 partly in one way and partly another;

35.5.2 make such arrangements as they think fit to deal with Shares or debentures becoming distributable in fractions under this Article 35; and

35.5.3 authorise any person to enter into an agreement with the Company on behalf of all of the Shareholders Entitled which is binding on them in respect of the allotment of Shares or debentures under this Article 35.