

THE COMPANIES ACT 2006

COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

EMPATI LIMITED (12104162)

Adopted with effect from 31 May 2023 pursuant to a resolution passed on 1 February 2023.

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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:
- (a) article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - (b) words denoting the singular include the plural and vice versa;
 - (c) Articles 8(2), 9(4), 10(3), 11(2), 13, 14, 26(5), 27, 28, 30(5) to (7) (inclusive), 44(4), 52 and 53 of the Model Articles shall not apply to the Company.

2 Definitions and Interpretation

- 2.1 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);

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

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

Associate in relation to any person means:

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

Auditors means the auditors (or if no auditor is appointed, the accountants) of the Company from time to time;

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

Bad Leaver means an Employee who ceases to be an Employee as a consequence of that person's dismissal as an Employee for cause, where "cause" shall mean:

- (a) the lawful termination of that person's contract of employment or consultancy without notice or payment in lieu of notice as a consequence of (i) that person's misconduct or (ii) as otherwise permitted pursuant to the terms of that person's contract of employment or consultancy; and/or
- (b) that person's fair dismissal pursuant to section 98(2) (a) (capability) or 98(2) (b) (conduct) of the Employment Rights Act 1996;

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);

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

Company means Empati Limited;

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;

Deferred Conversion Date means the date that an Employee's Shares convert into Deferred Shares pursuant to Article 17.1;

Deferred Shares means the deferred shares of £0.0001 each in the capital of the Company from time to time;

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

Effective Termination Date means the date on which the Employee's employment or consultancy terminates;

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 who is employed by, or who provides consultancy services to, the Company or any member of the Group;

Employee Shares in relation to an Employee means all Shares held by:

- (a) the Employee in question;
- (b) any Undertaking or trust in which the Employee in question holds a majority or the sole direct or indirect share capital, voting or beneficial interest or which they have a Controlling Interest;
- (c) any Permitted Transferee of that Employee other than those Shares held by those persons that the Board declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of that person's relationship with the Employee;

save for any Shares (i) issued prior to the Date of Adoption, provided that this exception shall not apply to any Shares held by any person who was formerly an Employee and whose employment or engagement terminated prior to the Date of Adoption, and such Shares shall be considered Employee Shares or (ii) that the Board (acting reasonably) considers such Employee to have purchased at or around market value for such shares at the time of such purchase;

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

Equity Securities has the meaning given in sections 560(1) to (3) inclusive of the Act and for the avoidance of doubt an allotment of Equity Securities includes a transfer of shares which immediately before such transfer were held by the Company as Treasury Shares;

Equity Shares means the Shares other than the Deferred Shares and the Growth Shares;

Exit means a Share Sale, an Asset Sale or a Listing;

Expert Valuer is as determined in accordance with Article 15.2;

Fair Value is as determined in accordance with Article 15;

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

Financial Year has the meaning set out in section 390 of the Act;

Founder Directors means the Directors appointed by Founders pursuant to Article 25.1(a) and **Founder Director** shall be construed accordingly;

Founders means, for the purposes of these Articles, each of Stewart Dodd and Sarvapali Ramchurn and **Founder** shall be construed accordingly;

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

Good Leaver means an Employee who ceases to be an Employee and who is not a Bad Leaver and shall include, without limitation, when the Board determines that a person is not a Bad Leaver;

Growth Shares means the growth shares of £0.01 held in the Company at any time.

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

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

Holding Company means a newly formed holding company, pursuant to which the membership, pro rata shareholdings and classes of shares comprised in such holding company matches that of the Company (excluding Treasury Shares) immediately prior to the transfer of the issued share capital of the Company to such holding company;

Holding Company Reorganisation means any transaction involving the issue of shares in the capital of a Holding Company to the Shareholders, the object or intent of which is to interpose the Holding Company as the sole owner of the Company such that immediately subsequent to such transaction:

- (a) the number and class of shares comprised in the issued share capital of the Holding Company, the identity of the shareholders of the Holding Company, and the number and class of shares held by each such person are the same as or substantially similar to the issued share capital of the Company and the identity of Shareholders and the number and class of Shares held by each such person immediately prior to such transaction (save for the fact that such shares are issued by a different company);

- (b) the rights attaching to each class of share comprised in the Holding Company match those rights attaching to the like class of share comprised in the share capital of the Company immediately prior to such transaction (save for the fact that such shares are issued by a different company and/or in a different jurisdiction with attendant differences in company law); and
- (c) the constitutional documents of the Holding Company are the same or substantially the same as the articles of association of the Company immediately prior to such transaction (save for the fact that they apply in respect of a different company), and as to matters and modifications to reflect that the Holding Company may be incorporated in a jurisdiction other than England and Wales;

Investment and Option Agreement means any investment and option agreement entered into on around the Date of Adoption;

Investor Consent means the prior written consent of an Investor Majority;

Investor Directors means the Directors appointed by the Investors in accordance with Article 25.1 and **Investor Director** shall be construed accordingly;

Investor Majority means the holders of shares representing more than 50% of the Shares held by the Investors;

Investors means each of Pinnacle and any other person who has acquired Shares from Pinnacle or pursuant to the options granted to Pinnacle under the Investment and Option Agreement (unless Pinnacle otherwise specifies in writing that such a person should not be considered an Investor for the purposes of these Articles) and **Investor** shall be construed accordingly;

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

Leaver's Percentage means, in relation to and for the purposes of determining the number of Employee Shares that are required (pursuant to Article 17) to be converted to Deferred Shares or to be transferred as a result of an Employee ceasing to be an Employee within the Relevant Period, the percentage (rounded to the nearest two decimal places) as calculated using the formula below:

$$100 - ((1/24 \times 100) \times NM),$$

where NM = number of full calendar months from the later of the date on which the employment or consultancy of the Employee with any Group Company commenced, the relevant Employee Shares were allotted and issued to the Employee, and the Date of Adoption (**Commencement Date**) to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 25th month after the Commencement Date and thereafter;

Listing means the 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);

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 is a nominee of that Investment Fund:

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business);
- (b) any other Investment Fund managed or advised by that Fund Manager or a Member of the same Group as 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 Parent Undertaking, Subsidiary Undertaking, 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;

NASDAQ means the NASDAQ Stock Market of the NASDAQ OMX Group Inc.;

Net Proceeds has the meaning set out in Article 5.1;

New Securities means any shares or other securities convertible into, or carrying the right to subscribe for, those shares issued by the Company after the Date of Adoption (other than shares or securities issued as a result of the events set out in Article 11.5) excluding for the avoidance of doubt any Treasury Shares transferred by the Company after the Date of Adoption;

Offer has the meaning set out in Article 18.2;

Offer Period has the meaning set out in Article 18.3;

Ordinary Shares means the ordinary shares of £0.0001 each in the capital of the Company from time to time;

Original Shareholder has the meaning set out in Article 13.1;

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

Permitted Transferee means:

- (a) in relation to a Shareholder who is an individual, any of their Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group; and
- (c) in relation to a Shareholder which is an Investment Fund, any Member of the same Fund Group;

Pinnacle means Pinnacle International Venture Capital 1 Ltd, a company registered in the British Virgin Islands with registered number 2114019 whose registered office is at Woodbourne Hall, Road Town, Tortola, British Virgin Islands;

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

Proceeds of Sale means the consideration payable (including any deferred and/or contingent consideration) whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale;

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

Proposed Sale Date has the meaning given in Article 18.3;

Proposed Sale Notice has the meaning given in Article 18.3;

Proposed Sale Shares has the meaning given in Article 18.3;

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

Proposed Transfer has the meaning given in Article 18.1;

Qualifying Company means a company in which a Shareholder(s) (or former Shareholder(s)) or Trustee(s) hold 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) or of which they are the sole ultimate beneficial owner;

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

Relevant Interest has the meaning set out in Article 29.4;

Relevant Period means a period of two years from the commencement of an Employee's employment with the Company;

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

Seller has the meaning set out in Article 14.2;

Share Option Plan(s) means the share option plan(s) of the Company, the terms of which have been approved by the Board (including the consent of the Investor Directors);

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 them together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

Shareholder means any holder of any Shares (but excludes the Company holding Treasury Shares);

Shareholders' Agreement means any shareholders' agreement in place between the Company and the Shareholders from time to time;

Shares means the Ordinary Shares, Deferred Shares, Growth Shares and any other classes of share in the capital of the Company from time to time;

SPV means a company, undertaking or trust whose sole asset or substantially all of its assets are the Shares of the Company that it holds;

Subsidiary Undertaking, Undertaking and Parent Undertaking have the respective meanings set out in sections 1159, 1161 and 1162 of the Act;

Transfer Notice shall have the meaning given in Article 14.2;

Transfer Price shall have the meaning given in Article 14.2;

Treasury Shares means shares in the capital of the Company held by the Company as treasury shares from time to time within the meaning set out in section 724(5) of the Act; and

Trustees in relation to a Shareholder means the trustee or the trustees of a Family Trust.

2.2 Where the consent or approval of the Investor Directors is required in this Agreement:

- (a) such consent shall be deemed to be given if the majority of Investor Directors appointed, or if only two Investor Directors are appointed, one of the Investor Directors:
 - (i) attend and vote in favour of the matter at a meeting of the Board; or
 - (ii) provide their written (which shall include email) to the matter in question; and
- (b) if no Investor Director has been appointed, Investor Consent must be obtained instead.

2.3 In respect of any actions or matters requiring or seeking the acceptance, approval, agreement, consent or words having similar effect of the Investor Directors under this Agreement, if such number of the Investor Directors appointed as would mean it is not possible for such acceptance, approval, agreement, consent or similar to be provided in accordance with Article 2.2, acting in good faith, declare in writing to the Company that they consider that providing such acceptance, approval, agreement, consent or similar gives rise to a bona fide conflict of interest to their duties as a director of any Group Company, such action or matter shall instead require Investor Consent (and the Investors undertake that they shall confirm whether they provide or withhold such acceptance, approval, agreement, consent as soon as practicable without undue delay and in any event within 10 business days).

3 Share capital

3.1 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares allotted and/or issued after the Date of Adoption and ranking pari

passu in all respects (or in all respects except only as to the date from which those shares rank for dividend) with the shares of the relevant class then in issue.

- 3.2 The words "and the directors may determine the terms, conditions and manner of redemption of any such shares" shall be deleted from article 22(2) of the Model Articles.
- 3.3 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 Board may determine to distribute in respect of any Financial Year will be distributed among the holders of Ordinary Shares pro rata to their respective holdings of Ordinary Shares. No Available Profits shall be distributed to the holders of Growth Shares.
- 4.3 Subject to the Act and these Articles, the Board may pay interim dividends if justified by the Available Profits in respect of the relevant period, payment of which will be in the manner set out in Article 4.2.
- 4.4 Every dividend shall accrue on a daily basis assuming a 365-day year. All dividends are expressed net and shall be paid in cash.
- 4.5 Article 31(1) of the Model Articles shall be amended by:
 - (a) 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
 - (b) 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 preference

- 5.1 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after payment of its liabilities (**Net Proceeds**) shall be applied (to the extent that the Company is lawfully able to do so) in the following order of priority:
 - (a) first, in paying to the holders of the Deferred Shares, if any, a total of £1.00 for the entire class of Deferred Shares (which payment shall be deemed satisfied by payment to any one holder of Deferred Shares);
 - (b) second, in paying to the holders of the Ordinary Shares the aggregate sum of £25,000,000, together with a sum equal to any Arrears in respect of such Ordinary Shares, pro rata to their respective holdings of Ordinary Shares and provided that, where there are insufficient Net Proceeds to pay the amounts under this Article 5.1(b), the Net Proceeds shall be distributed amongst the holders of Ordinary Shares pro rata to the amount they would otherwise have received hereunder;

- (c) thereafter, in distributing the balance among the holders of Ordinary Shares and Growth Shares pro rata to the number of Ordinary Shares and Growth Shares held as if they constituted one class of share.

6 Exit provisions

- 6.1 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority set out in Article 5 and the Directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:
- (a) the Directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 5; and
 - (b) the Shareholders shall take any action required by an Investor Majority to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 5.

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 from the previous distribution of consideration in the order of priority set out in Article 5.

- 6.2 On an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 5 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the Shareholders shall take any action required by an Investor Majority (including, but without prejudice to the generality of this Article 6.2, actions that may be necessary to put the Company into voluntary liquidation) so that Article 5 applies.
- 6.3 Immediately before a Listing, the Company shall issue to each holder for the time being of Growth Shares, such number of Ordinary Shares which shall result in that holder holding, when aggregated with its existing shareholding (and following every issue of Ordinary Shares to Shareholders pursuant to this Article 6.3), the same proportion of the total number of Shares in issue as the proportion that its entitlement to the surplus assets of the Company under Article 5 bears to the total surplus assets available for distribution to the Shareholders under Article 5.
- 6.4 All Ordinary Shares to be issued in accordance with Article 6.3 shall, subject to applicable law, be paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Board and shall be credited as fully paid. Subject to applicable law, such a capitalisation shall be automatic and shall not require any action on the part of the Shareholders and the Directors shall allot and issue the Ordinary Shares arising on the capitalisation to the Shareholders entitled to them in accordance with Article 6.3. If and to the extent that the Company is not permitted by applicable law to carry out the capitalisation required by Article 6.3 in full (whether by virtue of the Act or otherwise), the entitlement of each holder of Growth Shares to such issue of Ordinary Shares shall be reduced in the same proportion that its holding of Growth Shares bears to the total number of Growth Shares then in issue and each such holder shall be entitled to subscribe in cash at par for the balance of that number of

additional Ordinary Shares as would otherwise have been issued pursuant to Article 6.3. The Shareholders shall vote in favour of any authorisations required to issue the Ordinary Shares which may fall to be issued under Article 6.3 or this Article 6.4.

6.5 In the event of an Exit approved by the Board (with the consent of the Investor Directors) (a **Proposed Exit**), all Shareholders shall (a) consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Exit and (b) take all such actions to tender their Shares as required to effect the Proposed Exit (the **Exit Actions**). The Shareholders shall be required to take all Exit Actions with respect to the Proposed Exit as are required by the Board to facilitate the Proposed Exit. If any Shareholder fails to comply with the provisions of this Article 6.5:

- (a) any Director as the Board may nominate shall be constituted the agent of each defaulting Shareholder for taking the Exit Actions as are necessary to effect the Proposed Exit;
- (b) the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents to effect the Proposed Exit, including, without limitation, any Sale Agreement (as defined in Article 19.2(e)) and/or stock transfer form; and
- (c) the Company may receive any consideration (whether cash or non-cash consideration) due to the defaulting shareholder, which shall be a good discharge to the purchaser(s) in the Proposed Exit, and the Company shall:
 - (i) hold such consideration in trust for each of the defaulting Shareholders without any obligation to pay interest;
 - (ii) on completion of the Proposed Exit:
 - (A) pay or otherwise deliver or make available to each defaulting Shareholder the consideration that is due to them (less any amount to be deducted or retained pursuant to this Article or pursuant to any Sale Agreement, including in respect of transaction fees and expenses); and/or
 - (B) if the consideration (or any part thereof) is non-cash consideration, the relevant purchaser(s) shall satisfy the consideration due to the defaulting Shareholders through the issue of shares or securities or the payment or transfer or other settlement of any other non-cash consideration which forms the non-cash consideration due to be issued, paid, transferred or otherwise settled to the defaulting Shareholders (or if such defaulting Shareholders cannot be traced following reasonable endeavours by the relevant purchaser(s) to do so, such non-cash consideration shall be held by the relevant purchaser(s) in trust for them).

7 Votes in general meeting and written resolutions

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

- 7.2 Neither the Deferred Shares nor the Growth Shares shall entitle the holders of them to receive notice of, to attend, to speak or to vote at any general meeting of the Company, nor to receive or vote on, or otherwise constitute an eligible member for the purposes of, proposed written resolutions of the Company.
- 7.3 Where Shares confer a right to vote, on a show of hands each holder of such Shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such holder so present shall have one vote for each Share they hold.
- 7.4 No voting rights attached to a Share which is nil paid or partly paid may be exercised:
- (a) at any general meeting, at any adjournment of it or at any poll called at or in relation to it; or
 - (b) on any proposed written resolution,
- unless all of the amounts payable to the Company in respect of that Share have been paid.

8 Consolidation of Shares

- 8.1 Whenever as a result of a consolidation of Shares any Shareholders would become entitled to fractions of a Share, the Directors may, on behalf of those Shareholders, sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Shareholders, and the Directors may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall their title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 8.2 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.

9 Deferred Shares

- 9.1 Subject to the Act, any Deferred Shares may be purchased by the Company at any time at its option for the aggregate sum of one pound for all the Deferred Shares registered in the name of any holder(s) without obtaining the sanction of the holder(s).
- 9.2 The allotment or issue of Deferred Shares or the conversion or re-designation of shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:
- (a) appoint any person to execute any transfer (or any agreement to transfer) of such Deferred Shares to such person(s) as the Company may determine (as nominee or custodian thereof or otherwise), including (subject to the Act) to the Company itself, in any such case for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s); and/or

- (b) receive the consideration for such a transfer or purchase (and give a good discharge for it) and hold the same on trust for the transferor(s); and/or
- (c) give, on behalf of such holder(s), consent to the cancellation of such Deferred Shares; and/or
- (d) retain the certificate(s) (if any) in respect of such Deferred Shares pending the transfer, cancellation and/or purchase thereof.

9.3 No Deferred Share may be transferred without the prior consent of the Board.

10 Variation of rights

- 10.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of a winding-up) with the consent in writing of the holders of more than 75% in nominal value of the issued shares of that class.
- 10.2 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.

11 Allotment of new shares or other securities: pre-emption

- 11.1 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of Equity Securities made by the Company.
- 11.2 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities, those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all holders of Equity Shares (the **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 Equity Shares (as if the Equity Shares constituted one and the same class) held by those holders (as nearly as may be without involving fractions). The offer:
 - (a) shall be in writing, be open for acceptance from the date of the offer to the date 10 Business Days after the date of the offer (inclusive) (the **Subscription Period**) and give details of the number and subscription price of the New Securities; and
 - (b) may stipulate that any Subscriber 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 for which they wish to subscribe.
- 11.3 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Equity Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that for which they applied).
- 11.4 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in

accordance with their applications and any remaining New Securities 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.

11.5 Subject to the requirements of Articles 11.1 to 11.4 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.

11.6 The provisions of Articles 11.2 to 11.5 (inclusive) shall not apply to:

- (a) options to subscribe for Ordinary Shares under the Share Option Plans granted in accordance with any Shareholders' Agreement;
- (b) New Securities issued or granted in order for the Company to comply with its obligations under these Articles;
- (c) New Securities issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by the Board (including the Investor Directors);
- (d) New Securities issued as a result of a bonus issue of shares which has been approved in writing by the Board (including the consent of the Investor Directors); and
- (e) Shares or options for Shares issued or granted pursuant to and in accordance with the terms of an Investment and Option Agreement.

11.7 Any New Securities offered under this Article 11 to a Shareholder which is an undertaking or an Investment Fund 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 11.

11.8 No Shares shall be allotted (nor any Treasury Shares be transferred) to any Employee, Director, prospective Employee or prospective director of the Company, who in the 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 if so required by the Company.

12 Transfers of Shares – general

12.1 In Articles 12 to 18 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share. For the purposes of this Article 12.1, "other interest" shall include interests in Shares obtained via acquisition or disposal of an interest in a Qualifying Company or an SPV (howsoever acquired) or, at the discretion of the Board, a Shareholder that is a Qualifying Company ceasing to be such.

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

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

- 12.4 Any transfer of a Share by way of sale which is required to be made under Articles 14 to 18 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.
- 12.5 The Directors may refuse to register a transfer if:
- (a) it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind;
 - (b) the transfer is to an Employee, Director or prospective Employee or prospective director of the Company, who in the opinion of the Board is subject to taxation in the United Kingdom, and such person has not entered into a joint section 431 ITEPA election with the Company;
 - (c) it is a transfer of a Share which is not fully paid:
 - (i) to a person of whom the Directors do not approve; or
 - (ii) on which Share the Company has a lien;
 - (d) the transfer is not lodged at the registered office or at such other place as the Directors may appoint;
 - (e) 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;
 - (f) the transfer is in respect of more than one class of Shares;
 - (g) the transfer is in favour of more than four transferees;
 - (h) these Articles otherwise provide that such transfer shall not be registered; or
 - (i) they consider (acting reasonably) that the transfer circumvents, or has been designed to circumvent, a restriction that would otherwise apply under these Articles.

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.

- 12.6 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of a Shareholders' Agreement or any similar document in force between some or all of the Shareholders and the Company in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) and if any condition is imposed in accordance with this Article 12.6, the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 12.7 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 whom the Directors may reasonably believe to have information relevant to that purpose, to furnish to the Company that information and evidence the Directors may request regarding any matter which they deem relevant to that purpose, including (but not limited to) the names, addresses and interests of all persons respectively having interests in the shares in the capital of the Company from time to time registered in the holder's name. If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or where as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such shares in the capital of the Company in writing of that fact and the following shall occur:

- (a) the relevant shares shall cease to confer upon the holder of them (including any proxy appointed by the holder) any rights to vote (whether on a show of hands or on a poll and whether exercisable at a general meeting or on a written resolution of the Company or at any separate meeting or written resolution of the class in question); or
- (b) the withholding of payment of all dividends or other distributions otherwise attaching to the relevant shares or to any further shares issued in respect of those shares; and
- (c) the holder may be required at any time following receipt of the notice to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in Articles 12.7(a) and 12.7(b) above may be reinstated by the Board and shall in any event be reinstated upon the completion of any transfer referred to in Article 12.7(c) above.

12.8 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.

12.9 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (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;
- (b) it does not include a Minimum Transfer Condition (as defined in Article 14.2); and
- (c) the Seller wishes to transfer all of the Shares held by it.

12.10 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

13 Permitted Transfers

13.1 A Shareholder (who is not a Permitted Transferee) (the **Original Shareholder**) may transfer all or any of their Shares to a Permitted Transferee without restriction as to price or otherwise.

- 13.2 Shares previously transferred as permitted by Article 13.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 13.3 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.
- 13.4 If a Permitted Transferee who was a Member of the same Group or a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Group or a Member of the same Fund Group (as applicable) 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, a Member of the same Group or a Member of the same Fund Group (as applicable) as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.
- 13.5 Trustees may (i) transfer Shares to a Qualifying Company or (ii) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (iii) transfer Shares to the new or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.
- 13.6 No transfer of Shares may be made to Trustees unless the Board is satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the Trustees;
 - (b) with the identity of the proposed Trustees;
 - (c) that the proposed transfer will not result in 50% or more of the aggregate of the Company's equity share capital being held by Trustees of that and any other trusts; and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.
- 13.7 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.
- 13.8 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 they must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Shares held by them to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or

(b) give a Transfer Notice to the Company in accordance with Article 13.2,

failing which they shall be deemed to have given a Transfer Notice.

- 13.9 On the death (subject to Article 12.3), bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) the personal representatives, or trustee in bankruptcy of, or liquidator, administrator or administrative receiver for such Permitted Transferee 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.
- 13.10 Notwithstanding Article 14, a transfer of any Shares approved by the Board (including the consent of the Investor Directors) 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.
- 13.11 Any Shares may at any time be transferred in connection with 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.
- 13.12 Any Investor may transfer all or any of its Shares to any person without restriction as to price or otherwise.

14 Transfers of Shares subject to pre-emption rights

- 14.1 Save where the provisions of Articles 13, 16 or 17 apply, any transfer of Shares by a Shareholder (other than an Investor) shall be subject to the pre-emption rights contained in this Article 14.
- 14.2 A Shareholder (other than an Investor) who wishes to transfer Shares (a **Seller**) shall, except as otherwise provided in these Articles or as approved by special resolution, before transferring or agreeing to transfer any Shares give notice in writing (a **Transfer Notice**) to the Company specifying:
- (a) the number of Shares which they wish to transfer (the **Sale Shares**);
 - (b) if they wish to sell the Sale Shares to a third party, the name of the proposed transferee (if known);
 - (c) the price at which they wish to transfer the Sale Shares; and
 - (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (a **Minimum Transfer Condition**).

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (the **Transfer Price**) must be agreed by the Board. In addition, if the price is not

specified in cash, an equivalent cash value price must be agreed between the Seller and the Board. In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within five Business Days of the Company receiving the Transfer Notice.

14.3 Except with the prior written consent of the Board, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

14.5 As soon as practicable following the later of:

(a) receipt of a Transfer Notice; and

(b) in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 15,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 14.6 and 14.7. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

14.6 **Priority for offer of Sale Shares**

The Sale Shares shall be offered to the holders of Equity Shares (as if the Equity Shares constituted one and the same class) in each case on the basis set out in Article 14.7.

14.7 **Transfers: Offer**

14.7.1 The Board shall offer the Sale Shares to all shareholders specified in the offer other than the Seller (the **Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (the **Offer Period**) for the maximum number of Sale Shares they wish to buy.

14.7.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under this Article 14.7 will be conditional on the fulfilment of the Minimum Transfer Condition.

14.7.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who had applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which their existing holding of the relevant class(es) of Equity Shares bears to the total number of the relevant class(es) of Equity Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which they have stated they are willing to buy.

14.7.4 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance will be dealt with in accordance with Article 14.8.5.

14.8 Completion of transfer of Sale Shares

14.8.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 14.7 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

14.8.2 If:

- (a) the Transfer Notice does not include a Minimum Transfer Condition; or
- (b) the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 14.7 and once the requirements of Article 18 have been fulfilled to the extent required, 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 five Business Days nor more than 10 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

14.8.3 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.

14.8.4 If the Seller fails to comply with the provisions of Article 14.8.3:

- (a) the chairperson of the Company or, failing them, 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 their 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) or otherwise hold the Transfer Price on trust for the Seller until they have delivered their certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board) to the Company.

14.8.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to this Article 14.8, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

14.8.6 The right of the Seller to transfer Shares under this Article 14.8 does not apply if the Board is of the opinion on reasonable grounds that:

- (a) the transferee is a person (or a nominee for a person) who the Board determines in its absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company;
- (b) the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or
- (c) the Seller has failed or refused to provide promptly information available to them and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

14.9 Any Sale Shares offered under this Article 14 to a Shareholder which is an undertaking or an Investment Fund 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 14.

15 Valuation of Shares

15.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 12.9 or 14.2 or otherwise then, on the date of failing agreement, the Board shall either:

- (a) appoint an expert valuer in accordance with Article 15.2 (the **Expert Valuer**) to certify the Fair Value of the Sale Shares; or
- (b) (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

15.2 The Expert Valuer will be either:

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

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

- (a) valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;
- (b) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (c) that the Sale Shares are capable of being transferred without restriction;
- (d) valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the

issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and

- (e) reflecting any other factors which the Expert Valuer reasonably believes should be taken into account.
- 15.4 If any difficulty arises in applying any of these assumptions or bases, then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 15.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 15.6 The Expert Valuer 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).
- 15.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 15.8 The Expert Valuer 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 them of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 15.9 The cost of obtaining the certificate shall be paid by the Company unless:
- (a) the Seller cancels the Company's authority to sell; or
 - (b) the aggregate price of the Sale Shares certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Shares before the Expert Valuer was instructed,

in which case the Seller shall bear the cost.

16 Compulsory transfers – general

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

- 16.3 If either requirement in Article 16.2 shall not be fulfilled to the satisfaction of the Directors, a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that the Directors may otherwise determine.
- 16.4 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 (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.
- 16.5 If there is a change in control (as "control" is defined in section 1124 of the CTA 2010) of any Shareholder (other than an Investor) which is a company, it shall be bound at any time, if and when required in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholder from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.

17 Departing Employees

Deemed Transfer Notice

- 17.1 If at any time during the Relevant Period an Employee ceases to be an Employee, either (at the election of the Board but excluding any Director who is the Employee in question, who shall not be counted for quorum or voting purposes at the relevant Board meeting (or part thereof)):
- (a) if:
- (i) the Employee ceases to be an Employee by reason of being a Bad Leaver, all of the Employee Shares held by that Employee (if any); or
 - (ii) the Employee ceases to be an Employee by reason of being a Good Leaver, the Leaver's Percentage of the Employee Shares held by that Employee (if any),
- in each case shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Employee Share held) on the Effective Termination Date (rounded down to the nearest whole share); or
- (b) that Employee shall be deemed to have given a Transfer Notice in respect of all Employee Shares held by that Employee (if any) on the Effective Termination Date,
- provided that, if no such election is made by the Board within 30 Business Days of the Effective Termination Date, Article 17.1(a) shall apply
- 17.2 If a Transfer Notice is deemed to have been given in accordance with Article 17.1(b), the Transfer Price shall be:
- (a) where the relevant Employee ceases to be an Employee by reason of being a Bad Leaver, the lower of Fair Value of the relevant Employee Shares and £0.01 per Employee Share; and

- (b) where the relevant Employee ceases to be an Employee by reason of being a Good Leaver:
 - (i) in respect of the Leaver's Percentage of such number of Employee Shares held by that Employee on the Effective Termination Date, the lower of Fair Value of the relevant Employee Shares and £0.01 per Employee Share; and
 - (ii) in respect of the remainder of the Employee Shares held by that Employee on the Effective Termination Date, the Fair Value of the relevant Employee Shares.

For the purposes of this Article 17, Fair Value shall be the price agreed between the relevant Employee and the Company within ten (10) days of the Effective Termination Date or, failing such agreement within such period, as determined in accordance with Article 15.

- 17.3 Upon conversion into Deferred Shares in accordance with Article 17.1(a), the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Employee (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the shares certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Employee Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Employee Shares.
- 17.4 If any Employee Shares which are the subject of a Transfer Notice deemed to have been given in accordance with Article 17.1(b) have not been transferred by the date which is six months following the Effective Termination Date (or such other date as the Board may decide) the Employee in question shall be entitled to retain their interest in any such Employee Shares, subject always to the provisions of Articles 17.5 and 17.6.

Suspension of voting rights

- 17.5 All voting rights attached to Employee Shares held by any such departing Employee referred to in Article 17.1 and by any Permitted Transferee of such Employee (the **Restricted Member**), if any, shall at the time such Employee ceases to be an Employee be suspended unless the Board (including the consent of the Investor Directors), notifies them otherwise.
- 17.6 Any Employee Shares whose voting rights are suspended pursuant to Article 17.5 (**Restricted Shares**) shall confer on the holders of Restricted Shares the right to receive a notice of all general meetings of the Company but shall have no right to attend, speak or to vote either in person or by proxy or to vote on any proposed written resolution. Voting rights suspended pursuant to Article 17.5 shall be automatically restored immediately prior to but contingent on completion of a Listing. If a Restricted Member transfers any Restricted Shares in accordance with these Articles, all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

18 Mandatory offer on a change of control

- 18.1 Except in the case of Permitted Transfers and transfers pursuant to Article 16 and after going through the pre-emption procedure in Article 14, the provisions of Article 18.2 will apply if one

or more Proposed Sellers propose to transfer in one or a series of related transactions any Equity Shares (the **Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and their Associates or persons Acting in Concert with them) acquiring a Controlling Interest in the Company.

- 18.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (the **Offer**) to the other Shareholders to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 18.7).
- 18.3 The Offer must be given by written notice (a **Proposed Sale Notice**) at least 10 Business Days (the **Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (the **Proposed Sale Shares**).
- 18.4 If any other holder of Shares is not given the rights accorded them by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.
- 18.5 If the Offer is accepted by any Shareholder (an **Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.
- 18.6 The Proposed Transfer is subject to the pre-emption provisions of Article 14 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 14.
- 18.7 For the purpose of this Article:
- (a) the expression **Specified Price** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:
- (i) in the Proposed Transfer; or
- (ii) in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer,
- plus an amount equal to the Relevant Sum, as defined in Article 18.7(b), of any other consideration (in cash or otherwise) paid or payable by the Proposed Purchaser or any other person Acting in Concert with the Proposed Purchaser, which having regard to the substance of the transaction as a whole, can reasonably be regarded as an addition to the price paid or payable for the Shares (the **Supplemental Consideration**) provided that the total consideration paid by the Proposed Purchaser in respect of the Proposed Transfer is distributed to the Proposed Seller and the Accepting Shareholders in accordance with the provisions of Articles 5 and 6;
- (b) **Relevant Sum** = $C \div A$
- where:
- A = number of Shares being sold in connection with the relevant Proposed Transfer;
and

C = the Supplemental Consideration.

19 Drag along

- 19.1 If the holders representing at least 90% of the Equity Shares (including an Investor Majority) (the **Selling Shareholders**) wish to transfer all their interest in Equity Shares (the **Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders shall have the option (the **Drag Along Option**) to compel each other holder of Shares (each a **Called Shareholder** and together the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **Drag Purchaser**) in accordance with the provisions of this Article, such transfers of Shares by the Selling Shareholders and the Called Shareholders being the **Dragged Share Sale**.
- 19.2 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 Drag Purchaser. A Drag Along Notice shall specify that:
- (a) the Called Shareholders are required to transfer all their Shares (the **Called Shares**) under this Article;
 - (b) the person to whom they are to be transferred;
 - (c) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);
 - (d) the proposed date of transfer;
 - (e) the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (the **Sale Agreement**);
 - (f) in respect of any Called Securities Holder (as defined below) only, any exercise notice or other documents (including, without limitation, any tax elections) which the Called Securities Holder may be required to sign in connection with the exercise of any options or other rights to subscribe, convert into or otherwise acquire (including but not limited to warrants) Shares (the **Exercise Documents**); and
 - (g) information concerning the Called Shareholder which the Proposed Purchaser reasonably requires in connection with the transfer of Called Shares shall be provided by such Called Shareholder (as may include, without limitation, information concerning (i) details of any account in the name of the Called Shareholder to which cash consideration may be paid (ii) the tax treatment of payments to be made to, or tax status of, the Called Shareholder (iii) the status of the Called Shareholder for the purposes of ascertaining the applicability of relevant securities laws and (iv) verification of the identity, ownership and Control of the Called Shareholder and other information as may be required for anti-money laundering or other compliance purposes) (**Sale Information**),
- (and, in the case of paragraphs 19.2(b) to (g) above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

- 19.3 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 Drag Purchaser within 60 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.
- 19.4 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 Drag Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 6.1 (the **Drag Consideration**). Where the consideration (or any part thereof) is non-cash consideration, any valuation of such consideration applicable to the consideration payable to the Selling Shareholders shall also be applicable to the consideration payable to the Called Shareholders. Subject always to Article 6.1, the Drag Consideration may be subject to adjustment (on the basis of completion accounts, locked box indemnity, retention, earn-out or any other mechanism whatsoever) on the same terms as the consideration payable to the Selling Shareholders.
- 19.5 A Drag Along Notice may be served on any person(s) (each a **Called Securities Holder**) holding any security, option, warrant, agreement or instrument which confers any right to subscribe for any share(s) in the capital of the Company, if and to the extent exercisable (or which would become exercisable in connection with the Dragged Share Sale) and, if so served such Called Securities Holder shall, upon their acquisition of Shares, thereupon become a Called Shareholder subject mutatis mutandis to the provisions of this Article 19 (notwithstanding that they may not have been a Called Shareholder at the date of the Drag Along Notice).
- 19.6 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 be bound by the Drag Along Notice provided that:
- (a) any representations and warranties to be made by such Called Shareholder in connection therewith are limited to authority, capacity, ownership and the ability to convey title;
 - (b) such Called Shareholder shall not be liable for the inaccuracy of any representation or warranty made by any other person, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any Shareholder of any of identical representations, warranties and covenants provided by all Shareholders);
 - (c) the liability of such Called Shareholder is several and not joint with any other person (except to the extent that funds may be paid out of or deducted from any escrow, retention or deferred consideration), and is pro rata in proportion to, and does not exceed, the amount of consideration received by such Called Shareholder in connection with such proposed transaction;
 - (d) liability is limited to such Called Shareholder's applicable share (determined based on the respective proceeds payable to each Shareholder in connection with such proposed transaction) of a negotiated aggregate indemnification amount that applies equally to all Shareholders but that in no event exceeds the amount of consideration otherwise received by such Called Shareholder in connection with such proposed

transaction, except with respect to claims related to fraud by such Called Shareholder, the liability for which need not be limited as to such Called Shareholder;

- (e) upon the consummation of the proposed transaction, each holder of each class of the Company's shares will receive the same form of consideration for its shares of such class as is received by other holders in respect of their shares of such same class of shares as contemplated by Articles 5 and 6;
- (f) such Called Shareholder shall not be required to give any release of claims other than a release that is limited to its role as a shareholder, current or former director or current or former employee of the Company; and
- (g) such Called Shareholder and its affiliates shall not be subject to any non-competition, non-investment, non-solicitation or similar provisions.

19.7 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (the **Drag Completion Date**), each Called Shareholder shall deliver:

- (a) duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
- (b) the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company;
- (c) a duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company;
- (d) in the case of a Called Securities Holder, duly executed Exercise Documents required to be provided by him or her; and
- (e) the Sale Information, in the form specified in the Drag Along Notice or as otherwise specified by the Company,

(together the **Drag Documents** and each a **Drag Document**).

19.8 On or prior to the Drag Completion Date, the Drag Purchaser shall put the Company in funds to pay the consideration due (and to the extent there is non-cash consideration, Article 19.8(b) shall apply). The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders pursuant to Article 19.2(c) without any obligation to pay interest. On the Drag Completion Date, the Company shall:

- (a) pay or otherwise deliver or make available to each Called Shareholder the Drag Consideration that is due (less any amount to be deducted or retained pursuant to this Article or pursuant to any Sale Agreement, including in respect of transaction fees and expenses); and/or
- (b) if the consideration (or any part thereof) is non-cash consideration, the Drag Purchaser shall satisfy the consideration due to the Called Shareholders through the issue of shares or securities or the payment or transfer or other settlement of any other non-cash consideration which forms the non-cash consideration due to be issued, paid, transferred or otherwise settled to the Called Shareholders (or if such Called Shareholders cannot be traced following reasonable endeavours by the Drag

Purchaser to do so, such non-cash consideration shall be held be the Proposed Purchaser in trust for them).

- 19.9 To the extent that the Drag Purchaser has not, on the Drag Completion Date, complied with the provisions of Article 19.8, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 19 in respect of the relevant Drag Along Notice (without prejudice to any party's right to serve a further Drag Along Notice at any time thereafter).
- 19.10 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 19 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to them. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender their share certificate for their Shares (or suitable executed indemnity) to the Company. On surrender, they shall be entitled to the Drag Consideration due to them.
- 19.11 If any Called Shareholder does not comply with Article 19.7, the defaulting Called Shareholder shall be deemed to have hereby irrevocably appointed the Company to be his agent and attorney to execute any and all transfer(s) and indemnity(ies) on his behalf referred to in Article 19.7, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, and to deliver such transfer(s) and indemnity(ies) to the Proposed Purchaser (or as they may direct) as the holder thereof. After the Proposed Purchaser (or its nominee) has been registered as the holder of such Called Shares, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of Shares under this Article 19.
- 19.12 Any dispute as to the consideration payable other than in cash under this Article 19 shall be referred to an Expert Valuer who shall be requested to determine the consideration within 30 (thirty) Business Days of his appointment and to notify the Shareholders of his determination in accordance with the provisions of Articles 15.5 to 15.7.
- 19.13 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 14.
- 19.14 If any Called Shareholder(s) serve a written notice on the Company prior to the Drag Completion Date stating that they dispute the consideration payable other than in cash under this Article 19, such dispute, unless resolved in five Business Days between the Called Shareholders and the Selling Shareholders, shall be referred to an Expert Valuer in accordance with the provisions of Articles 15.5 to 15.7 who shall be requested to determine the Fair Value of the Called Shares being transferred and to notify the Shareholders of his determination. The non-cash element of such consideration shall be deemed to be the Fair Value less the cash element of such consideration.
- 19.15 On any person, following the issue of a Drag Along Notice, becoming a Shareholder 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 (a **New Shareholder**),

a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser 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.

Holding Company Reorganisation

- 19.16 In the event of a Holding Company Reorganisation approved by the Board and the holders representing at least 90% of the Equity Shares (including an Investor Majority) (a **Proposed Reorganisation**), all Shareholders shall (a) consent to, vote for, raise no objections to and waive any applicable rights in connection with the Proposed Reorganisation and (b) take all such actions to tender their Shares as required pursuant to the Proposed Reorganisation (the **Reorganisation Actions**). The Shareholders shall be required to take all Reorganisation Actions with respect to the Proposed Reorganisation as are required by the Board to facilitate the Proposed Reorganisation. If any Shareholder fails to comply with the provisions of this Article, any Director as the Board may nominate shall be constituted the agent of each defaulting Shareholder for taking the Reorganisation Actions as are necessary to effect the Proposed Reorganisation and the Directors may authorise an officer or member to execute and deliver on behalf of such defaulting Shareholder the necessary documents to effect the Proposed Reorganisation, including, without limitation, any share exchange agreement and/or stock transfer form.
- 19.17 The Company shall procure that the Holding Company shall ensure that the shares issued by it to the Shareholders (or a subsequent holder, as the case may be) pursuant to the Holding Company Reorganisation will be credited as fully paid as to the amount determined in accordance with this Article and which new shares shall be subject to the constitutional documents of the Holding Company and otherwise (subject to the express provisions of such constitutional documents) have the same rights as all other Holding Company shares of the same class in issue at the time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment and issue of such Holding Company shares).
- 19.18 On any person, following the date of completion of a Holding Company Reorganisation, becoming a Shareholder 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 or otherwise (a **New Reorganisation Shareholder**), the New Reorganisation Shareholder shall then be bound to do all such acts and things necessary in order to transfer all such resulting shares to the Holding Company, and the provisions of this Article shall apply with the necessary changes to the New Reorganisation Shareholder.

20 General meetings

- 20.1 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.
- 20.2 The provisions of section 318 of the Act shall apply to the Company, save that if a quorum is not present at any meeting adjourned for the reason referred to in article 41 of the Model Articles, then, provided that the Qualifying Person present holds or represents the holder of at least 25% in nominal value of the Ordinary Shares (excluding Treasury Shares), any

resolution agreed to by such Qualifying Person shall be as valid and effectual as if it had been passed unanimously at a general meeting of the Company duly convened and held.

- 20.3 If any two or more Shareholders (or Qualifying Persons representing two or more Shareholders) attend the meeting in different locations, the meeting shall be treated as being held at the location specified in the notice of the meeting, save that if no one is present at that location so specified, the meeting shall be deemed to take place where the largest number of Qualifying Persons is assembled or, if no such group can be identified, at the location of the chairperson.

21 Proxies

- 21.1 Paragraph (c) of article 45(1) of the Model Articles shall be deleted and replaced by the words: "is signed by or on behalf of the shareholder appointing the proxy and accompanied by 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)".
- 21.2 The instrument appointing a proxy and any authority under which it is signed or a certified copy of such authority or a copy in some other way approved by the Directors may:
- (a) be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form, to the registered office of the Company or to such other address (including electronic address) as may be specified for this purpose in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote;
 - (b) be delivered at the meeting or adjourned meeting at which the person named in the instrument proposes to vote to the chairperson or to the company secretary or to any Director; or
 - (c) in the case of a poll, be delivered at the meeting at which the poll was demanded to the chairperson or to the company secretary or to any Director, or at the time and place at which the poll is held to the chairperson 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.

22 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 or obligation of the Company or of any third party.

23 Alternate Directors

- 23.1 Notwithstanding any provision of these Articles to the contrary, any person appointed as a Director (the **Appointor**) may appoint any director or any other person as they think fit to be their alternate Director to:

- (a) exercise that Director's powers; and
- (b) carry out that Director's responsibilities in relation to the taking of decisions by the Directors in the absence of the alternate's Appointor.

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

23.2 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.

23.3 The notice must:

- (a) identify the proposed alternate; and
- (b) 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.

23.4 An alternate Director has the same rights, in relation to any Directors' meeting (including as to notice) or Directors' written resolution, as the alternate's Appointor.

23.5 Except as these Articles specify otherwise, alternate directors:

- (a) are deemed for all purposes to be Directors;
- (b) are liable for their own acts and omissions;
- (c) are subject to the same restrictions as their Appointors; and
- (d) 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 their Appointor is a member.

23.6 A person who is an alternate Director but not a Director:

- (a) may be counted as participating for the purposes of determining whether a quorum is participating (but only if that person's Appointor is not participating); and
- (b) may sign a Directors' written resolution (but only if their Appointor is an Eligible Director in relation to that decision, but does not participate).

No alternate may be counted as more than one Director for such purposes and may not act as an alternate for more than one Director.

23.7 A Director who is also an alternate Director is entitled, in the absence of their Appointor, to a separate vote on behalf of each Appointor, in addition to their own vote on any decision of the Directors (provided that their Appointor is an Eligible Director in relation to that decision).

23.8 An alternate Director is not entitled to receive any remuneration from the company for serving as an alternate Director, except such part of the alternate's Appointor's remuneration as the Appointor may direct by notice in writing made to the Company.

23.9 An alternate Director's appointment as an alternate shall terminate:

- (a) when the alternate's Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;
- (b) 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;
- (c) on the death of the alternate's Appointor; or
- (d) when the alternate's Appointor's appointment as a Director terminates.

24 Number of Directors

Unless and until the Company shall otherwise determine by ordinary resolution, the number of Directors shall be not less than three and shall not be more than 11.

25 Appointment of Directors

25.1 In addition to the powers of appointment under article 17(1) of the Model Articles:

- (a) each of Stewart Dodd and Sarvapali Ramchurn shall for so long as that person remains (i) a Shareholder and (ii) an Employee of, or is engaged as a consultant by, the Company or any other Group Company, be entitled to appoint and maintain in office themselves or such other person as they may nominate to the Board in writing as a Founder Director and the other holders of Shares shall not vote their Shares so as to remove any Founder Director so appointed from office;
- (b) the Investors (acting by an Investor Majority) shall, for so long as an Investor remains a Shareholder or holds options under the Investment and Option Agreement, be entitled to appoint and maintain in office as non-executive Directors of the Company any two people nominated by the Investors to be Investor Directors and, shall be entitled by notice in writing to the Company to remove from office such appointed Investor Directors (or either of them) and to appoint another in their place on the same terms of appointment and the other holders of Shares shall not vote their Shares so as to remove that Investor Director from office; and
- (c) where the Investors hold (in aggregate) at least 30% of the Equity Shares, the Investors (acting by an Investor Majority) shall be entitled to appoint and maintain as non-executive Director of the Company a third Investor Director, and shall be entitled by notice in writing to the Company to remove from office such appointed Investor Director and to appoint another in their place on the same terms of appointment and the other holders of Shares shall not vote their Shares so as to remove that Investor Director from office.

25.2 An appointment or removal of a Director under Article 25.1 will take effect at and from the time when the notice is received at the registered office of the Company or produced to a meeting of the directors of the Company.

25.3 Subject to the provisions of these Articles and any Shareholders' Agreement, Directors may be appointed or removed by resolution of the Board.

26 Disqualification of Directors

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

- (a) that person is dismissed as an Employee in circumstances where they are a Bad Leaver;
- (b) that person is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that their office be vacated;
- (c) that person ceases to be a Director by virtue of any provision of the Act or is prohibited from being a Director by law;
- (d) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (e) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than six months;
- (f) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have; and
- (g) notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms.

27 Proceedings of Directors

- 27.1 The quorum for Directors' meetings shall be two Directors which must include an Investor Director or its alternate (if an Investor Director is appointed) and a Founder Director or its alternate (save that where a Relevant Interest of any such Director is being authorised by other Directors in accordance with section 175(5)(a) of the Act, such person and any other interested Director shall not be included in the quorum required for the purpose of such authorisation but shall otherwise be included for the purpose of forming the quorum at the meeting). 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. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 27.2 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 that Director 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.
- 27.3 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 chairperson shall be deemed to be the place of the meeting.

- 27.4 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.
- 27.5 Provided (if these Articles so require) that they have declared to the Directors, in accordance with the provisions of these Articles, the nature and extent of their interest (and subject to any restrictions on voting or counting in a quorum imposed by the Directors in authorising a Relevant Interest), a Director may vote at a meeting of the Directors or of a committee of the Directors on any resolution concerning a matter in which they have an interest, whether a direct or an indirect interest, or in relation to which they have a duty and shall also be counted in reckoning whether a quorum is present at such a meeting.
- 27.6 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 chairperson shall not have a second or casting vote.
- 27.7 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.

28 Chairperson

The Directors may appoint any person as chairperson of the Board (the **Chairperson**) and may remove and replace any such Chairperson by notice in writing. If there is no Chairperson in office for the time being, or the Chairperson is unable to attend any meeting of the Board, the Directors present at the meeting shall appoint another Director present at the meeting to chair the meeting and the appointment of the chairperson shall be the first business of that meeting. Neither the Chairperson nor any person appointed as chairperson for a particular meeting shall have a casting vote.

29 Directors' interests

Specific interests of a Director

- 29.1 Subject to the provisions of the Act and provided (if these Articles so require) that they have declared to the Directors in accordance with the provisions of these Articles, the nature and extent of their interest, a Director may (save as to the extent not permitted by law from time to time), notwithstanding their office, have an interest of the following kind:
- (a) where a Director (or a person connected with them) 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;
 - (b) where a Director (or a person connected with them) 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;

- (c) where a Director (or a person connected with them) 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;
- (d) 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;
- (e) where a Director (or a person connected with them or of which they are 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 they are 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 they are remunerated for this;
- (f) an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (g) any other interest authorised by ordinary resolution; or
- (h) where an Investor Director (or a person connected with them) is a director, employee or other officer of, or a party to any contract, arrangement or transaction with, any Investor.

Interests of which a Director is not aware

- 29.2 For the purposes of this Article 28, an interest of which a Director is not aware and of which it is unreasonable to expect them to be aware shall not be treated as an interest of theirs.

Accountability of any benefit and validity of a contract

- 29.3 In any situation permitted by this Article 28 (save as otherwise agreed by such Director) a Director shall not by reason of their office be accountable to the Company for any benefit which they derive from that situation and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

Terms and conditions of Board authorisation

- 29.4 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 such Director's interest (**Relevant Interest**) pursuant to that section may, for the avoidance of doubt:
- (a) be given on such terms and subject to such conditions or limitations as may be imposed by the authorising Directors as they see fit from time to time, including, without limitation:
 - (i) restricting the Interested Director from voting on any resolution put to a meeting of the Directors or of a committee of the Directors in relation to the Relevant Interest;
 - (ii) restricting the Interested Director from being counted in the quorum at a meeting of the Directors or of a committee of the Directors where such Relevant Interest is to be discussed; or

- (iii) restricting the application of the provisions in Articles 29.5 and 29.6, so far as is permitted by law, in respect of such Interested Director;
- (b) be withdrawn, or varied at any time by the Directors entitled to authorise the Relevant Interest as they see fit from time to time; and
- (c) 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 28.

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

- 29.5 Subject to Article 29.6 (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 28), if a Director, otherwise than by virtue of their position as director, receives information in respect of which they owe a duty of confidentiality to a person other than the Company, they 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 their duties as a Director.

- 29.6 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 29.5 shall apply only if the conflict arises out of a matter which falls within Article 29.1 or has been authorised under section 175(5)(a) of the Act.

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

- 29.7 Where a Director has an interest which can reasonably be regarded as likely to give rise to a conflict of interest, the Director shall take such additional steps as may be necessary or desirable for the purpose of managing such conflict of interest, including compliance with any procedures laid down from time to time by the Directors for the purpose of managing conflicts of interest generally and/or any specific procedures approved by the Directors for the purpose of or in connection with the situation or matter in question, including without limitation:
- (a) absenting themselves from any discussions, whether in meetings of the Directors or otherwise, at which the relevant situation or matter falls to be considered; and
 - (b) excluding themselves 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 the Director in question to have access to such documents or information.

Requirement of a Director is to declare an interest

- 29.8 Subject to section 182 of the Act, a Director shall declare the nature and extent of any interest permitted by Article 29.1 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:

- (a) falling under Article 29.1(g);
- (b) if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if, or to the extent that, it concerns the terms of their 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.

Shareholder approval

29.9 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 28.

29.10 For the purposes of this Article 28:

- (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.

30 Indemnities and insurance

30.1 Subject to the provisions of and so far as may be permitted by, the Act:

- (a) every Director or other officer of the Company (excluding the Company's auditors) shall be entitled to be indemnified by the Company (and the Company shall also be able to indemnify directors of any associated company (as defined in section 256 of the Act)) out of the Company's assets against all liabilities incurred by them in the actual or purported execution or discharge of their duties or the exercise or purported exercise of their powers or otherwise in relation to or in connection with their duties, powers or office, provided that no Director or any associated company is indemnified by the Company against:
 - (i) any liability incurred by the director to the Company or any associated company; or
 - (ii) any liability incurred by the director to pay a fine imposed in criminal proceedings or a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirements of a regulatory nature; or
 - (iii) any liability incurred by the director:
 - (A) in defending any criminal proceedings in which they are convicted;

- (B) in defending civil proceedings brought by the Company or any associated company in which final judgment (within the meaning set out in section 234 of the Act) is given against them; or
- (C) in connection with any application under sections 661(3) or 661(4) or 1157 of the Act (as the case may be) for which the court refuses to grant them relief,

save that, in respect of a provision indemnifying a director of a company (whether or not the Company) that is a trustee of an occupational pension scheme (as that term is used in section 235 of the Act) against liability incurred in connection with that company's activities as trustee of the scheme, the Company shall also be able to indemnify any such director without the restrictions in Articles 30.1(a)(i), 30.1(a)(iii)(B) and 30.1(a)(iii)(C) applying;

- (b) the Directors may exercise all the powers of the Company to purchase and maintain insurance for any such Director or other officer against any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to the Company, or any associated company including (if they are a director of a company which is a trustee of an occupational pension scheme) in connection with that company's activities as trustee of an occupational pension scheme.

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

31 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.

32 Notices

- 32.1 Subject to the requirements set out in the Act and to Article 32.3, 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:

- (a) in hard copy form;
- (b) in electronic form; or
- (c) (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.

- 32.2 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 32.

- 32.3 Any notice given or document sent or supplied to Pinnacle under the Articles shall be given, sent or supplied in accordance with the notice provisions in any Shareholders' Agreement.

Notices in hard copy form

- 32.4 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):
- (a) to the Company or any other company at its registered office; or
 - (b) to the address notified to or by the Company for that purpose; or
 - (c) in the case of an intended recipient who is a member or their legal personal representative or trustee in bankruptcy, to such member's address as shown in the Company's register of members; or
 - (d) in the case of an intended recipient who is a Director or alternate, to their address as shown in the register of Directors; or
 - (e) 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
 - (f) where the Company is the sender, if the Company is unable to obtain an address falling within one of the addresses referred to in (a) to (e) above, to the intended recipient's last address known to the Company.
- 32.5 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:
- (a) if delivered, at the time of delivery; or
 - (b) if posted, on receipt or 48 hours after the time it was posted, whichever occurs first.

Notices in electronic form

- 32.6 Subject to the provisions of the Act, any notice or other document in electronic form given or supplied under these Articles may:
- (a) if sent by email (provided that an email address has been notified to or by the Company for that purpose), be sent by the relevant form of communication to that address;
 - (b) 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 32.4; or
 - (c) 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:
 - (i) on its website from time to time; or
 - (ii) by notice (in hard copy or electronic form) to all members of the Company from time to time.

- 32.7 Any notice or other document in electronic form given or supplied under these Articles shall be deemed to have been served and be effective:
- (a) if sent by email (where an email address 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;
 - (b) if posted in an electronic form, on receipt or 48 hours after the time it was posted, whichever occurs first;
 - (c) if delivered in an electronic form, at the time of delivery; and
 - (d) if sent by any other electronic means as referred to in Article 32.6(c), at the time such delivery is deemed to occur under the Act.
- 32.8 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.

Notice by means of a website

- 32.9 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.

General

- 32.10 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 (the **Primary Holder**). Notice so given shall constitute notice to all the joint holders.
- 32.11 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).

33 Lien

- 33.1 The Company shall have a first and paramount lien (the **Company's Lien**) over every Share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that Share.
- 33.2 The Company's Lien over a Share:
- (a) shall take priority over any third party's interest in that Share; and
 - (b) 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.

- 33.3 Subject to the provisions of this Article 33, if:
- (a) a notice complying with Article 69.4 (a **Lien Enforcement Notice**) has been given by the Company in respect of a Share; and
 - (b) 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.
- 33.4 A Lien Enforcement Notice:
- (a) 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;
 - (b) must specify the Share concerned;
 - (c) must require payment of the sum payable within 14 days of the notice;
 - (d) 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
 - (e) must state the Company's intention to sell the Share if the notice is not complied with.
- 33.5 Where any Share is sold pursuant to this Article 33:
- (a) 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
 - (b) 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.
- 33.6 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:
- (a) 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;
 - (b) 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 for lost certificate in a form acceptable to the Board 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.
- 33.7 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:
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and

- (b) subject to compliance with any other formalities of transfer required by these Articles or by law, shall constitute a good title to the Share.

34 Call Notices

- 34.1 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.
- 34.2 A Call Notice:
 - (a) 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);
 - (b) shall state when and how any call to which it relates it is to be paid; and
 - (c) may permit or require the call to be paid by instalments.
- 34.3 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.
- 34.4 Before the Company has received any call due under a Call Notice the Directors may:
 - (a) revoke it wholly or in part; or
 - (b) 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.
- 34.5 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.
- 34.6 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:
 - (a) pay calls which are not the same; or
 - (b) pay calls at different times.
- 34.7 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):
 - (a) on allotment;
 - (b) on the occurrence of a particular event; or
 - (c) on a date fixed by or in accordance with the terms of issue.
- 34.8 If the due date for payment of such a sum as referred to in Article 34.7 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 forfeiture.

- 34.9 If a person is liable to pay a call and fails to do so by the Call Payment Date (as defined below) the Directors may issue a notice of intended forfeiture to that person.
- 34.10 For the purposes of Article 34.9, 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.
- 34.11 The Directors may accept full payment of any unpaid sum in respect of a Share despite payment not being called under a Call Notice.

35 Forfeiture of Shares

- 35.1 A notice of intended forfeiture:
- (a) 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;
 - (b) 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;
 - (c) shall require payment of the call by a date which is not fewer than 14 days after the date of the notice;
 - (d) shall state how the payment is to be made; and
 - (e) 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.
- 35.2 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.
- 35.3 Subject to these Articles, the forfeiture of a Share extinguishes:
- (a) all interests in that Share, and all claims and demands against the Company in respect of it; and
 - (b) all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company.
- 35.4 Any Share which is forfeited in accordance with these Articles:
- (a) shall be deemed to have been forfeited when the Directors decide that it is forfeited;
 - (b) shall be deemed to be the property of the Company; and
 - (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.
- 35.5 If a person's Shares have been forfeited then:

- (a) the Company shall send that person notice that forfeiture has occurred and record it in the register of members;
 - (b) that person shall cease to be a Shareholder in respect of those Shares;
 - (c) that person shall surrender the certificate for the Shares forfeited to the Company for cancellation;
 - (d) 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; and
 - (e) 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.
- 35.6 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 due in respect of it and on such other terms as they think fit.
- 35.7 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.
- 35.8 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:
- (a) shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share; and
 - (b) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share.
- 35.9 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.
- 35.10 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:
- (a) was, or would have become, payable; and
 - (b) 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.
- 36 Surrender of Shares**
- 36.1 A Shareholder shall be entitled to surrender any Share:
- (a) in respect of which the Directors issue a notice of intended forfeiture;

- (b) which the Directors forfeit; or
- (c) which has been forfeited.

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

- 36.2 The effect of surrender on a Share shall be the same as the effect of forfeiture on that Share.
- 36.3 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.