

Resolution to be filed with Registrar of Companies

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

CAP CODER LIMITED

(registered number 2101507) (Company)

THURSDAY



A09 *A51IS5IJ* 25/02/2016 #334
COMPANIES HOUSE

CIRCULATION DATE 22 February 2016

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution be passed.

RESOLUTION

As a special resolution, THAT the Company's Articles of Association be amended by adopting the attached regulations in place of the Company's current Articles

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution

The undersigned, a person entitled to vote on the Resolution on the above Circulation Date, hereby irrevocably agrees to the Resolution

Signed by LOUIS THOMAS BATES

Date

22-2-2016

NOTES

1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it (**marked strictly confidential**) to Lou Bates, Cap Coder Limited 42 Monument Business Park, Chalgrove, Oxford, OX44 7RW by no later than twenty eight days following its date of circulation

If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply.

2 Once you have indicated your agreement to the Resolution, you may not revoke your agreement

3 Unless, by 28 days from the above circulation date, sufficient agreement has been received for the Resolution to pass, they will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before or during this date

4 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

DATED

ARTICLES OF ASSOCIATION

of

CAP CODER LIMITED

L.B.
22-2-2016

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CAP CODER LIMITED

Registered number 02101507

(Adopted by special resolution passed on 2016)

INTRODUCTION

1. INTERPRETATION

1 1 The following definitions and rules of interpretation apply in these Articles

Act: means the Companies Act 2006

Appointor: has the meaning given in article 11 1

Articles: means the company's articles of association for the time being in force

Business Day: means any day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business

Conflict: has the meaning given in article 7 1

Eligible director: means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)

Founder Shareholders: means Louis Bates and Lorna Bates

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

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles

1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles

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1.3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.

- 1 4 A reference in these Articles to an "article" is a reference to the relevant article of these Articles unless expressly provided otherwise
- 1.5 Unless expressly provided otherwise, a reference to a statute or statutory provision is a reference to it as it is in force on the date when these Articles become binding on the Company
- 1 6 A reference to a statute or statutory provision shall include all subordinate legislation made as at the date on which these Articles become binding on the Company under that statute or statutory provision
- 1.7 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms
- 1.8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them
- 1.9 The Model Articles shall apply to the company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles.
- 1.10 Articles 8, 9(1) and (3), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 18(e), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 11 Article 7 of the Model Articles shall be amended by:
- (a) the insertion of the words "for the time being" at the end of article 7(2)(a); and
 - (b) the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may"
- 1 12 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors)" before the words "properly incur".
- 1.13 In article 25(2)(c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity".
- 1 14 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But".
- 1.15 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer

executed under article 28(2) of the Model Articles," after the words "the transmittee's name".

- 1 16 Articles 31(1)(a) to (c) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide". Article 31(d) of the Model Articles shall be amended by the deletion of the words "either" and "or by such other means as the directors decide".

DIRECTORS

2. UNANIMOUS DECISIONS

- 2.5 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter

- 2.6 Such a decision 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

- 2 7 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting

3. CALLING A DIRECTORS' MEETING

Any director may call a directors' meeting by giving notice of the meeting to the directors.

4. QUORUM FOR DIRECTORS' MEETINGS

- 4.5 Subject to article 4.6, the quorum for the transaction of business at a meeting of directors is any two eligible directors.

- 4.6 For the purposes of any meeting (or part of a meeting) held pursuant to article 7 to authorise a director's Conflict, if there is only one eligible director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.

- 4.7 If the total number of directors in office for the time being is less than the quorum required, the directors must not take any decision other than a decision.

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

5. CASTING VOTE

- 5.1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
- 5.2 Article 5.1 shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an eligible director for the purposes of that meeting (or part of a meeting).

6. TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Companies Acts, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company.

- 6.1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (*directly or indirectly*) interested;
- 6.2 shall be an eligible director for the purposes of any *proposed decision of the directors (or committee of directors)* in respect of such existing or proposed *transaction or arrangement in which he is interested*;
- 6.3 shall be entitled to vote at a *meeting of directors (or of a committee of the directors)* or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 6.4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- 6.5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (*directly or indirectly*) interested; and
- 6.6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

7. DIRECTORS' CONFLICTS OF INTEREST

7.1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**).

7.2 Any authorisation under this article 7 will be effective only if

- (a) to the extent permitted by the Act, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of these Articles or in such other manner as the directors may determine,
- (b) any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director or any other interested director; and
- (c) the matter was agreed to without the Interested Director voting or would have been agreed to if the Interested Director's and any other interested director's vote had not been counted

7.3 Any authorisation of a Conflict under this article 7 may (whether at the time of giving the authorisation or subsequently)

- (a) extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
- (b) provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,
- (c) provide that the Interested Director shall or shall not be an eligible director in respect of any future decision of the directors in relation to any resolution related to the Conflict,
- (d) impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,
- (e) provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and
- (f) permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 16.4 The Sale Price shall be: the lower of the price paid by the Transferor (or deemed to be paid by the Transferor where the shares are subject to an election under Section 165 of the Taxation of Chargeable Gains Act 1992) when they acquired the Sale Shares and their market value at the time of the Transfer determined in accordance with article 16.5 (**Market Value**), unless (where the Transferor is a Good Leaver) the directors resolve to pay a higher price (of no more than Market Value).
- 16.5 Market Value shall be the value most recently determined by the directors as market value of the Sale Shares.
- 16.6 For the purpose of this article 16, a person shall be a Good Leaver if he ceases to be an employee of a Group Company for any of the following reasons or in any of the following circumstances:
- (a) retirement
 - (b) redundancy within the meaning of the Employment Rights Act 1996
 - (c) ill-health rendering them incapable of performing his duties.

7.4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict.

7.5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation

7.6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

8. RECORDS OF DECISIONS TO BE KEPT

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye.

9. NUMBER OF DIRECTORS

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than two.

10. APPOINTMENT OF DIRECTORS

In any case where, as a result of death or bankruptcy, the company has no shareholders and no directors, the transmittee(s) of the last shareholder to have died or to have a bankruptcy order made against him (as the case may be) have the right, by notice in writing, to appoint a natural person (including a transmittee who is a natural person), who is willing to act and is permitted to do so, to be a director.

11. APPOINTMENT AND REMOVAL OF ALTERNATE DIRECTORS

11.1 Any director (**Appointor**) may appoint as an alternate any other director, or any other person approved by resolution of the directors, 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.

11.2 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.

11.3 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

12. RIGHTS AND RESPONSIBILITIES OF ALTERNATE DIRECTORS

12.1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor.

12.2 Except as the 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 his appointor is a member.

12.3 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 present (but only if that person's appointor is not participating);
- (b) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate); and
- (c) shall not be counted as more than one director for the purposes of article 12.3(a) and article 12.3(b).

12.4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own vote

on any decision of the directors (provided that his appointor is an eligible director in relation to that decision)

- 12.5 An alternate director may be paid expenses and may be indemnified by the company to the same extent as his appointor but shall not be 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

13. TERMINATION OF ALTERNATE DIRECTORSHIP

An alternate director's appointment as an alternate terminates:

- 13.1 when the alternate's appointor revokes the appointment by notice to the company in writing specifying when it is to terminate; or
- 13.2 on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director, or
- 13.3 on the death of the alternate's appointor; or
- 13.4 when the alternate's appointor's appointment as a director terminates.

SHARES

14. CLASSES OF SHARE AND RIGHTS

- 14.1 The Company shall have three classes of share ("Shares"): Ordinary Shares of nominal value £1.00 each; A Shares of nominal value £0.10 each, and B Shares of nominal value £0.10 each, each having the rights and being subject to the obligations set out in this article 14 and articles 15 and 16.
- 14.2 There shall be no issue of A Shares or B Shares to any person who is not an employee of a Group Company and the maximum number of issued shares of each of these two classes shall be 5,000.

Dividends

- 14.3 If the directors declare a dividend in any accounting period of the Company, the Ordinary Shares shall as a class confer on their holders the right to receive, in

priority to Shares of any other class, the first £25,000 of any such dividend (**Initial Dividend**). The directors may declare an additional dividend in the same accounting period of such amount per Ordinary Share (if any) as they consider appropriate.

- 14.4 The directors may declare a dividend in any accounting period of the Company of such amount per A Share (if any) as they consider appropriate, provided that the holders of the Ordinary Shares shall have first received the Initial Dividend.
- 14.5 The directors may declare a dividend in any accounting period of the Company of such amount per B Share (if any) as they consider appropriate, provided that the holders of the Ordinary Shares shall have first received the Initial Dividend.

Voting

- 14.6 The Ordinary Shares shall confer on their holders the right to receive notice of, attend and vote at general meetings of shareholders of the Company. On a poll, each Ordinary Share shall entitle its holder to cast one vote
- 14.7 The A Shares shall confer on their holders the right to receive notice of, attend and vote at general meetings of shareholders of the Company. On a poll, each A Share shall entitle its holder to cast one vote
- 14.8 The B Shares shall not confer on their holders the right to receive notice of, attend and vote at general meetings of shareholders of the Company.

Return of capital

- 14.9 Upon a Share Sale or Liquidation, the proceeds available for distribution to shareholders shall be distributed according to the following provisions
- (a) where the Exit Proceeds are less than or equal to the Threshold Amount they shall be distributed or paid to the holders of the Shares in such form as the same is received, realised or otherwise available for distribution as follows.
- (i) to the holders of the Ordinary Shares, the A Shares and the B Shares: the nominal value per Share; and
 - (ii) any balance shall be distributed to the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by each such holder
- (b) where the Exit Proceeds exceed the Threshold Amount.

- (i) An amount equal to the Threshold Amount shall be distributed according to article 14.9(a), and
- (ii) The excess above the Threshold Amount ("the **Excess Value**") shall be distributed in such form as the same is received, realised or otherwise available for distribution as to:
 - (A) 50%, plus any surplus after distributions under article 14.9(b)(ii)(B) and (C), to the holders of the Ordinary Shares as a class, in proportion to the number of Ordinary Shares held by each such holder, and
 - (B) to each holder of an A Share, 0.008%; and
 - (C) to each holder of a B Share, 0.002%

Transfer

14.10 Transfers of Shares will be governed by articles 15 and 16.

Pre-emption

14.11 Pursuant to section 567 of the Act, section 561 and 562 of the Act shall not apply to the Company

Definitions

14.12 In this article 14 and any other of these articles of association where such a term is used

- (a) "**Aggregate Consideration**" means the aggregate amount determined by the directors (in whatever form, be it cash, loan notes, shares in the purchaser or any other form) to be paid for all Shares the subject of a Share Sale, and to the extent that it is not in cash, the value of which is determined by the directors
- (b) "**Exit Proceeds**" means:
 - (i) on a Share Sale.
 - (A) the Aggregate Consideration received (and/or to be received) from the relevant purchasers for the shares which

are the subject of the sale on or following completion of the Share Sale;

less

- (B) the aggregate costs and expenses properly incurred in connection with, and any contingent liabilities in respect of, the Share Sale; and any other adjustments which the directors consider are necessary to ensure this term fairly represents net cash available for payment to Shareholders (before payment of any personal liability to taxation).

or

- (ii) on a Liquidation, the net proceeds available for distribution to shareholders after deduction of the aggregate costs and expenses in respect of the Liquidation and all amounts due to creditors.
-
- (c) **"Group Company"** means the Company, any subsidiary (direct or indirect) of the Company or any company which (directly or indirectly) controls the Company.
 - (d) **"Liquidation"** means the winding up of the Company under the Insolvency Act 1986.
 - (e) **"Relevant Event"** means the issue by the Company of new shares, a repurchase of shares or return of capital by the Company or any other transaction which may impact on the rights of the holders of A Shares and/or B Shares to a return of capital
 - (f) **"Share Sale"** means a sale of any of the Shares in the Company (in one transaction or a series of transactions) which will result in the buyer of those Shares and persons acting in concert with him together acquiring control of the Company, except where the members and the proportion of Shares in the acquiring entity held by each of them following completion of the sale are as to at least 90 per cent of the shares the same as the members and their shareholdings in the Company immediately before the sale.
 - (g) **"Threshold Amount"** means £350,000, subject to such variation as the directors may in their absolute discretion consider appropriate and as may be approved by the holders of a majority of the Ordinary Shares to ensure that a holder of A Shares and/or B Shares does not benefit or suffer a disadvantage as a result of a Relevant Event.

15. COMPULSORY SHARE TRANSFERS

- 15.1 No A Shares or B Shares may be transferred without the prior consent of the holders of a majority of the Ordinary Shares.
- 15.2 A shareholder (other than a Founder Shareholder) holding Ordinary Shares is deemed to have offered his Ordinary Shares (**Sale Shares**) for sale under this article 15 on any of the following events or dates:
- (a) his death; or
 - (b) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
 - (c) he becomes incapacitated (that is, he becomes incapable of continuing his employment with the Company (or a Group Company) by reason of his physical or mental health.
- 15.3 A shareholder holding A Shares or B Shares is deemed to have offered his A Shares and/or B Shares (as the case may be) (**Sale Shares**) for sale under this article 15 on any of the following events or dates:
- (a) his death; or
 - (b) a bankruptcy order being made against him, or an arrangement or composition being made with his creditors, or where he otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors; or
 - (c) the date when he is no longer a director or employee of the Company or any Group Company, or
 - (d) he becomes incapacitated (that is, he becomes incapable of continuing his employment with the Company (or a Group Company) by reason of his physical or mental health
- 15.4 Upon a shareholder becoming subject to article 15.2 or 15.3 (**Transferor**), the Company may at any time thereafter (but if the reason is incapacity under article 15.2(c) or 15.3 (d), no earlier than twelve months from the date of incapacity) purchase the Sale Shares at the Sale Price, or procure their sale at the Sale Price to any person or persons nominated by it. In the latter case, the Company shall be authorised to act as the agent of the Transferor. If some or all of the Sale Shares offered are not so purchased, they shall be retained by the Transferor until such later time or times as the Company purchases them or procures their purchase, in either case at the Sale Price