

**ImmunoBiology Limited**  
Company number: 3777578

Record of Written Resolutions passed by ImmunoBiology Limited (**Company**) on 27<sup>th</sup> July 2017 pursuant to Chapter 2 of Part 13 of the Companies Act 2006.

**1. CIRCULATION**

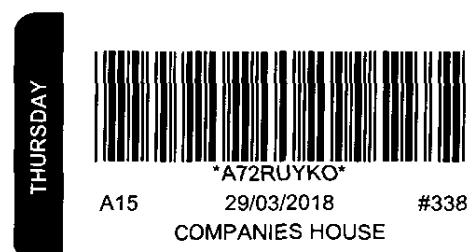
On 27<sup>th</sup> July 2017 the directors circulated the following resolutions ("**the Resolutions**") to the shareholders of the Company proposing that they be passed, pursuant to Chapter 2 of Part 13 of the Companies Act 2006, in the case of the first following resolution as an ordinary resolution and of the second following resolution as a special resolution:

**ORDINARY RESOLUTION**

1. Subject to the passing of resolution 3 below, that, in accordance with section 551 of the 2006 Act, the Directors be generally and unconditionally authorised to allot Shares in the Company up to an aggregate nominal amount of £400,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date being five years from the date on which this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act;

**SPECIAL RESOLUTIONS**

2. that, subject to the passing of the resolution 1 and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:
  - 2.1 be limited to the allotment of equity securities up to an aggregate nominal amount of £400,000; and
  - 2.2 expire when the authority conferred by resolution 1 is revoked or expires (unless renewed, varied or revoked by the Company prior to or on that date) save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired;
3. that the draft articles of association attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

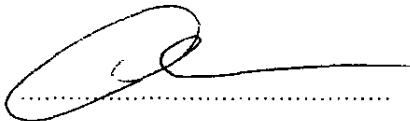


**2. RESPONSE**

- 2.1 On 27<sup>th</sup> July 2017 the Company received responses from a majority of shareholders sufficient to pass all of the Resolutions.

**3. EFFECT**

- 3.1 The Resolutions were passed by the Company on 27<sup>th</sup> July 2017.



Secretary

28/July/2017  
(Date)

**THE COMPANIES ACT 2006**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**IMMUNOBIOLOGY LIMITED**

(Adopted by a written resolution passed on 27<sup>th</sup> July 2017)

**1. Introduction**

**1.1 In these Articles:**

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

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

1.2 The Model Articles shall apply to the Company save in so far as they are excluded or are varied hereby or are inconsistent herewith but subject to the foregoing they shall be deemed to be incorporated herein.

1.3 Articles 8, 11(2), 14(1), (2), (3) and (4), 17(2), 21, 24(2)(c), 52 and 53 of the Model Articles shall not apply to the Company.

1.4 Article 7 of the Model Articles shall be amended by:

1.4.1 the insertion of the words "for the time being" at the end of article 7(2)(a); and

1.4.2 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".

1.5 Article 20 of the Model Articles shall be amended by the insertion of the words "(including alternate directors) and the secretary" before the words "properly incur".

1.6 Article 26(1) of the Model Articles shall be amended by the insertion of the words "and, unless the share is fully paid, the transferee" at the end of the Article.

1.7 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 17(2)," after the word "But".

- 1.8 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)," after the words "the transmittee's name.
- 1.9 Articles 31(a) to (d) (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".
- 1.10 Article 44(3) of the Model Articles shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that article.
- 1.11 Article 45(1)(d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate".
- 1.12 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the Directors, in their discretion, accept the notice at any time before the meeting" as a paragraph at the end of that article.
- 1.13 Words and expressions defined in the Investment Agreement shall have the same meaning when used in these articles unless a contrary intention appears.

## 2. Definitions

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

**"Act"** means the Companies Acts (as defined in section 2 of the Companies Act 2006) in so far as they apply to the Company;

**"acting in concert"** has the meaning ascribed to it by the City Code on Takeovers and Mergers as in force on the date of adoption of these Articles;

**"Asset Sale"** means the disposal by the Company of all or substantially all of its undertaking and assets;

**"Associate"** in relation to any person means:

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

**"Auditors"** means the auditors of the Company from time to time;

**"Available Profits"** means profits available for distribution within the meaning of part VIII of the Act;

**"Bad Leaver"** means a person who ceases to be an Employee Member at any time and who is not a Good Leaver;

**"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);

**"Business Plan"** means the business plan adopted by the board of directors of the Company from time to time in accordance with the terms of the Investment Agreement;

**"call"** has the meaning given in Article 9.9;

**"call notice"** has the meaning given in Article 9.9;

**"Chairman"** means the director appointed by the Investor Majority pursuant to Article 23.3;

**"Chief Executive Officer"** means the person appointed by the Board from time to time as the senior full time employee of the Company with overall responsibility to the Board for the operations of the Company;

**"Civil Partner"** means in relation to a Shareholder:

- (a) a civil partner (as defined in the Civil Partnerships Act 2004) of the Shareholder; or
- (b) a person living in the same household as the Shareholder as his or her wife or husband.

**"Co-Investment Scheme"** means any scheme adopted from time to time under which certain officers, employees or partners (including their immediate relatives, family trusts and any retirement benefits scheme (as detailed in section 611 of the Income and Corporation Taxes Act 1988) established for their benefit) of an Investor or its adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire shares in the Company;

**"Company"** means Immunobiology Limited, a company incorporated in England and Wales (registered number 3777578) whose registered office is at Babraham Research Campus, Babraham, Cambridge CB22 3AT;

**"Company's lien"** has the meaning given in Article 9.1;

**"Conflict Situation"** means any situation or matter (other than one which cannot reasonably be regarded as likely to give rise to a conflict of interest) in which any director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company including (without limitation) any such situation or matter which relates to the exploitation of any property, information or opportunity (irrespective

of whether the Company could take advantage of the property, information or opportunity);

**"Connected Person"** has the meaning attributed by section 839 Income and Corporation Taxes Act 1988;

**"Controlling Interest"** means an interest in Equity Shares giving to the holder or holders control of the Company within the meaning of section 1124 of CTA 2010;

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

**"D Ordinary Shareholders"** means the holders for the time being of the D Ordinary Shares;

**"D Ordinary Shares"** means the D Ordinary Shares of £0.01 each in the capital of the Company;

**"Date of Adoption"** means the date of the resolution of Shareholders approving the adoption of these articles of association;

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

**"Employee Member"** means a person who becomes a director and/or an employee and/or consultant of the Company or any of its subsidiaries after the Date of Adoption (but not, for the avoidance of doubt, any person who holds, or has held, any of the aforementioned roles or offices on or prior to the Date of Adoption);

**"E Ordinary Shareholders"** means the holders for the time being of the E Ordinary Shares;

**"E Ordinary Shares"** means the E Ordinary Shares of £0.001 each in the capital of the Company;

**"Equity Share Capital"** means the Equity Shares;

**"Equity Shares"** or **"Shares"** means the Ordinary Shares, D Ordinary Shares, E Ordinary Shares and F Ordinary Shares;

**"Equity Shareholders"** means the holders of Equity Shares

**"Exit"** means a Share Sale, Asset Sale or a Listing;

**"Expert Valuer"** is as determined in accordance with Article 13.2;

**"F Ordinary Shareholders"** means the holders for the time being of the F Ordinary Shares;

**"F Ordinary Shares"** means the F Ordinary Shares of £0.025 each in the capital of the Company;

**"Fair Value"** is as determined in accordance with Article 13.3;

**"Family Trusts"** means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or

other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in question is for the time being vested in any person other than 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, and in respect of Sir Martin Wood and Lady Audrey Wood (and their Permitted Transferees) shall include The Wood/Buxton Settlement as constituted by a Settlement dated 14 July 2008;

**"Financial Year"** and **"Financial Period"** means an accounting reference period (as defined by the Act) of the Company;

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

**"Good Leaver"** means a person who ceases to be an Employee Member at any time by reason of:

- (a) death;
- (b) permanent incapacity;
- (c) the Company (or a member of the Group) terminating his contract of employment by serving notice (in accordance with the terms of that contract) in circumstances where the Employee Member is not in breach, nor has been in breach, of his contract;
- (d) dismissal by the Company (or a member of the Group) which is determined by an employment tribunal or at a court of competent jurisdiction to be wrongful or constructive; or
- (e) any other reason which the Investor Majority determines, in their absolute discretion within 20 Business Days of such Employee Member ceasing to be employed or engaged by a Group Company, shall result in such Employee Member being a Good Leaver for the purposes of these Articles;

**"Group"** means the Company and its Subsidiary Undertaking(s) (if any) from time to time, any parent company of the Company (excluding the Investor) and any subsidiaries from time to time of such parent company (each a **"Group Company"**);

**"Investment Agreement"** means the agreement (dated the same date as the Date of Adoption) entered into or to be entered into between the (1), the Existing Shareholders (as defined therein) (2) the Managers (3) the Subscribers (as defined therein) (4) and the Company (4) as amended or varied from time to time;

**"Investor(s)"** means the holders of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares as at the Date of Adoption and any person who is or becomes an Investor for the purposes of the Investment Agreement (together **"the Investors"**), or any transferee or nominee of an Investor or of any such person. The expression "member of an Investor's

Group" shall mean an Investor, any subsidiary of that Investor and any holding company of that Investor and any subsidiary of such holding company and any nominee of any of the foregoing and "Investor's Group" or "Group" shall be construed accordingly;

"Investor Consent" means the giving of a written consent or direction by the Investor Majority provided that for as long as there are Investor Directors in office appointed by Investors, any such consent or direction required or permitted to be given by the Investor Majority under these Articles shall be validly given by those Investor Directors on behalf of the Investors who appointed them;

"Investor Director" means a director of the Company nominated by an Investor pursuant to Article 23.1 and "Investor Directors" shall be construed accordingly;

"Investor Group" means, in relation to any corporate Investor, that Investor and its associated companies from time to time;

"Investor Majority" means the Shareholders holding at least 60 per cent. of the total nominal value of the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares in issue;

"Issue" or "Reorganisation" means any return of capital, issue of shares or other securities of the Company by way of capitalisation of profits or reserves (other than a capitalisation issue in substitution for or as an alternative to a cash dividend which is made available equally to the D Ordinary Shareholders, E Ordinary Shareholders and F Ordinary Shareholders) or any consolidation or sub-division or any repurchase or redemption of shares or any variation in the subscription price or conversion rate applicable to any other outstanding shares of the Company;

"Issue Price" means the price at which the relevant Share is issued, including any premium;

"lien enforcement notice" has the meaning given in Article 9.5;

"Listing" means:

- (a) both the admission of any of Company's shares to the Official List of the Financial Services Authority becoming effective and the admission of any of the Company's shares to trading on the London Stock Exchange plc's market for listed securities; or
- (b) the admission to trading of any of the Company's shares on the Alternative Investment Market of the London Stock Exchange plc becoming effective; or
- (c) the equivalent admission to trading to or permission to deal on any other recognised investment exchange (as defined in section 285(1) of the Financial Services and Markets Act 2000) becoming effective in relation to any of the Company's shares;

"Managers" has the meaning given in the Investment Agreement;

"Model Articles" means the model articles for private companies limited by contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (s1 2008 3229);



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

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

**"a Member of the same Group"** means as regards any company, a company which is for the time being a Holding Company or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Holding Company;

**"New Securities"** means any shares (other than shares issued pursuant to the events set out in Article 8.3) or other securities convertible into, or carrying the right to subscribe for such shares, issued by the Company after the Date of Adoption;

**"Ordinary Shareholders"** means the holders for the time being of the Ordinary Shares;

**"Ordinary Shares"** means the Ordinary Shares of £0.10 each in the capital of the Company;

**"Permitted Transfer"** means a transfer of Equity Shares in accordance with Article 11;

**"Permitted Transferee"** means in relation to a Shareholder who is an individual any of his Privileged Relations or Trustees of a Family Trust, in relation to a Shareholder which is an undertaking (as defined in section 259(1) of the Act) means any Member of the same Group, in relation to a Shareholder which is a Fund means any Member of the same Fund Group and in relation to a Shareholder which is a partnership means any partner or transferee of the partner;

**"Priority Rights"** means the rights of Shareholders to purchase Equity Shares comprised in a Transfer Notice in the priority stipulated in Article 12.6;

**"Privileged Relation"** in relation to a Shareholder who is an individual member means a spouse (or widow or widower of the Shareholder), Civil Partner, child and grandchild (including step or adopted or illegitimate children);

**"Proceeds of Sale"** means the consideration payable (including any deferred consideration) whether in cash or otherwise to those Shareholders selling Equity Shares pursuant to a Share Sale;

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

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

**"Restricted Price"** means, in relation to shares acquired by an Employee Member by subscription, the lower of the price equal to the fair value of the shares as at the Termination Date and the price paid (including any premium on subscription) and, in relation to shares acquired by way of transfer, the price paid by the Employee Member for such shares;

**"Relevant Period"** means four years from the Date of Adoption;

**"Relevant Proposed Transfer"** when used in Article 16 has the meaning given to Proposed Transfer in Article 16.1 and when used in Article 17 has the meaning given to Proposed Transfer in Article 17.1;

**"Relevant Shares"** means all of the Equity Shares held by an Employee Member and/or any of his Privileged Relations (if applicable);

**"Shareholder"** means any holder of any Equity Shares;

**"Share Sale"** shall mean 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 such shares (or grantee of such right) and persons acting in concert with him together acquiring a Controlling Interest in the Company save where following completion of such sale the shareholders in such purchaser and the proportion of shares held by each in such purchaser are the same as the shareholders and their shareholdings in the Company immediately prior to such sale or a transaction where, prior to its completion, the Company has served notice on each Investor that a transaction that would otherwise constitute a Share Sale should be deemed not to be so on the basis that it is a strategic merger incorporating only a paper based transaction in which the available cash portion of such transaction is intended for the Company's working capital and Investor Consent has been given to such transaction prior to said completion, such consent not to be unreasonably withheld;

**"Subsidiary Undertaking"** and **"Holding Company"** shall have the meanings set out in the Act;

**"The Woods"** shall mean Sir Martin Wood and Lady Kathleen Audrey Wood of The Manor House, Little Wittenham, Abingdon, Oxon OX14 4RA;

**"Termination Date"** means:-

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;

- (c) where the Employee Member concerned is a director and or consultant but not an employee, the date on which the contract for the provision of his services (whether entered into directly with him or with a third party) with the Company is terminated; and

in any other case, the date on which the contract of employment is terminated;

"**Transfer Notice**" shall have the meaning given in Article 12.2;

"**Trustee(s)**" in relation to a Shareholder means the trustee or the trustees of a Family Trust;

"**voting rights**" shall be construed in accordance with section 1159 and paragraph 2 of schedule 6 of the Companies Act 2006.

### **3. Share capital**

- 3.1 The share capital of the Company at the Date of Adoption is £2,624,534.658 divided into 16,089,729 Ordinary Shares of £0.1 each, 61,138,692 D Ordinary Shares of £0.01 each, 32,474,838 E Ordinary Shares of £0.001 each and 14,868,000 F Ordinary Shares of £0.025 each.
- 3.2 In these Articles, unless the context requires otherwise, references to shares of a particular class shall include shares created and/or issued after the Date of Adoption and ranking pari passu in all respects (or in all respects save only as to the date from which such shares rank for dividend) with the shares of the relevant class then in issue.
- 3.3 Save as otherwise provided in these Articles, the Ordinary Shares, the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

### **4. Dividends**

- 4.1 In respect of any financial year of the Company, its profits for the time being available for distribution within the meaning of the Act ("**Available Profits**") will be applied as set out in this Article 4.
- 4.2 The Company will not distribute any Available Profits in respect of any Financial Year except with Investor Consent. Subject to the foregoing, any Available Profits which the Company may determine to distribute in respect of any Financial Year will be distributed amongst the holders of the Equity Shares (pari passu as if Shares constituted one class of share) according to the amount paid up or credited as paid up on each such Share.
- 4.3 The Company will procure that the profits of any other Group Company available for distribution will be paid by way of dividend to the Company (or, as the case may be, the relevant Group Company that is its immediate holding company or parent undertaking) if and to the extent that such dividends are necessary to permit lawful and prompt payment by the Company of the Preference Dividends.
- 4.4 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.

## **5. Distributions**

5.1 On an Exit or a return of assets on liquidation or capital reduction or otherwise, the assets or, as applicable proceeds remaining after the payment of liabilities shall, subject to the provisions of Article 14.9(h), be distributed (insofar as the Company is lawfully permitted to do so) as follows:

- (a) firstly, amongst the holders of the F Ordinary Shares an amount equal to 12.5p per F Ordinary Share, amongst the holders of E Ordinary Shares the amount of 9.813752p per E Ordinary Share and amongst the holders of the Ordinary Shares and the D Ordinary Shares, 0.0001p per Ordinary Share and 0.0001p per D Ordinary Share, respectively;
- (b) thereafter, amongst the holders of the D Ordinary Shares, the E Ordinary Shares, the F Ordinary Shares and Ordinary Shares *pari passu* as if the same constituted one class of share.

5.2 In the event of a Share Sale the Directors shall not register any transfer of Shares unless:

- (a) the Proceeds of Sale represented by cash are paid into the Company's solicitors bank account (or such other account as the holders of 75% of the total nominal value of the issued equity share capital may agree) and the Proceeds of Sale represented other than in cash shall be held by the Company on trust for the holders of those Shares being sold in connection with the Share Sale and if any part of the consideration payable is not cash, then the Board will, with Investor Consent, agree the open market value of the non-cash consideration and, failing agreement within 15 Business Days, the matter shall be referred to an Expert Valuer whose determination in the absence of manifest error shall be final and binding on all Shareholders; and
- (b) the Proceeds of Sale are distributed as set out in Article 5.1 save in respect of any Shares not sold in connection with such Share Sale.

5.3 In the event that 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 provisions of paragraphs (a) and (b) have been applied to the Proceeds of Sale settled upon completion; and
- (b) the Shareholders shall take such actions as the Investors, acting by an Investor Majority, may require to ensure that the Proceeds of Sale in their entirety are distributed in accordance with Article 5.2(b).

5.4 In the event of an Asset Sale the surplus assets of the Company remaining after payment of its liabilities shall be distributed (insofar as the Company is lawfully permitted to do so) as set out in Article 5.1 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 such actions as the Investors, acting by an Investor Majority, may require (including, but without prejudice to the generality of the foregoing, such actions

that may be necessary to put the Company into voluntary liquidation so that Article 5.1 applies).

## **6. Votes in general meeting**

- 6.1 Subject to Article 6.2 and notwithstanding the provisions of Article 42 of the Model Articles and subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative not being himself a member, shall have one vote, and on a poll every holder of Ordinary Shares who is present in person or by proxy or (being a corporation) is present by a representative or by proxy shall (except as hereinafter provided) have one vote for each Ordinary Share of which he is a holder, every holder of D Ordinary Shares so present in person or by proxy shall have one vote for each D Ordinary Share held by him, every holder of E Ordinary Shares so present in person or by proxy shall have one vote for each E Ordinary Share held by him and every holder of F Ordinary Shares so present in person or by proxy shall have one vote for each F Ordinary Share held by him.
- 6.2 No voting rights attached to a share may be exercised at any general meeting, at any adjournment of it, or on any poll called at or in relation to it, unless all amounts payable to the company in respect of that share have been paid.

## **7. Variation of Rights**

- 7.1 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) either:
- (a) with the consent in writing of the holders of more than 75 per cent. in nominal value of the issued shares of that class, or
  - (b) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class.
- 7.2 To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company (and to the proceedings at such general meetings) shall, mutatis mutandis, apply, except that:
- (a) the necessary quorum shall be two persons, present in person or by proxy or by duly authorised representative (if a corporation), who together hold or represent at least three-quarters in nominal value of the issued shares of the relevant class (unless not less than 75 per cent. of the shares of that class are registered in the name of a single holder, in which case the quorum shall be that holder, his proxy or duly authorised representative (if a corporation)), but so that if, at any adjourned meeting of such holders (held at least five business days after the meeting which was adjourned and in respect of which notice has been given to all holders of shares of that class), such a quorum is not present, then those holders who are present (in person or by proxy or by duly authorised representative (if a corporation)) shall be a quorum,

- (b) any holder of shares of the relevant class present in person or by proxy or by duly authorised representative (if a corporation) may demand a poll, and
- (c) the holders of shares of the relevant class shall, on a poll, have one vote in respect of every share of that class held by each of them.

7.3 Without prejudice to the generality of Article 7.1, the special rights attaching to the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares shall be deemed to be varied by the occurrence of the following events (unless prior Investor Consent is obtained):

- (a) amendment or repeal of any provision of, or addition of any provision to the Articles;
- (b) alteration of the issued share capital of the Company or creation of any securities other than as provided for in these Articles;
- (c) reduction of the amount standing to the credit of the share premium account or capital redemption reserve other than as expressly provided for in these Articles;
- (d) save as otherwise provided for in these Articles, the appointment or removal of any director or the increase or decrease in the authorised number of directors;
- (e) approval of any merger, liquidation, dissolution or acquisition of the Company or sale of all or a substantial part of the business, undertaking or assets of the Company.
- (f) payment of a dividend on or repurchase of any Ordinary Shares (excluding employee share repurchases upon termination of employment or as specifically provided in these Articles or in the Investment Agreement);
- (g) making a material change to the Business Plan agreed by the Investors or making a material change in the nature of, or cessation of, the business of the Company;
- (h) acquiring any shares or other securities;
- (i) by the grant of any option or other right to subscribe for shares (other than in relation to the holding of shares by the Chairman and/or under the New Share Option Scheme) or any variation of the rights attached to any of the shares for the time being in the capital of the Company or of any of its subsidiaries
- (j) making any bonus issue of shares or debenture stock;
- (k) entering into a voluntary winding-up;
- (l) transferring any profits to reserves or otherwise (save in the ordinary course of business) take any action (excluding payment of dividends) which will or may reduce the amount of its profits available for distribution;

- (m) reduce the amount standing to the credit of the Company's share premium account or capital redemption reserve;
- (n) the Company or a Member of the same Group incurring any obligation to do any of events described in paragraphs (a) to (n) above.

**8. Allotment of new shares or other securities: pre-emption**

8.1 Subject to these Articles (including Article 8.3(a)) the pre-emption provisions of sections 561 and 562 of the Act shall apply to any allotment of the Company's Equity Shares, provided that:

- (a) any allotment of the Company's equity securities shall comprise D Ordinary Shares, E Ordinary Shares, F Ordinary Shares and Ordinary Shares, the respective numbers of D Ordinary Shares, E Ordinary Shares, F Ordinary Shares and Ordinary Shares comprised in any such allotment to be calculated according to the proportions which each of the D Ordinary Shares, E Ordinary Shares, F Ordinary Shares and Ordinary Shares in issue immediately prior to such allotment (as nearly as may be without involving fractions) bears to the aggregate number of Equity Shares in issue immediately prior to such allotment;
- (b) the period specified in section 562(5) of the Act shall be 15 Business Days;
- (c) the Equity Shareholders who accept Equity Shares shall be entitled to indicate that they would accept Equity Shares that have not been accepted by other Equity Shareholders ("Excess Shares") on the same terms as originally offered to all Equity Shareholders and the following provisions shall apply:
  - (i) it shall be a term of the allotment that, if Equity Shareholders of more than one class indicate that they would accept some or all of the Excess Shares, the Excess Shares shall be treated as having been offered, first, to all Equity Shareholders holding Equity Shares of the same class as the Excess Shares in priority to all other classes of Equity Shareholder and thereafter, to the extent that all of the Excess Shares have not been applied for by such class of Equity Shareholder, the Excess Shares shall be treated as having been offered to all of the Equity Shareholders holding the other class of Equity Shares;
  - (ii) subject always to Article 8.1(c)(i), any Equity Shares not so accepted shall be allotted to the Equity Shareholders who have indicated they would accept Excess Shares; and
  - (iii) such Excess Shares shall be allotted in the numbers in which they have been accepted by Equity Shareholders or, if the number of Excess Shares is not sufficient for all Equity Shareholders to be allotted all the Excess Shares they have indicated they would accept, then the Excess Shares shall be allotted as nearly as practicable in the proportion that the number of Excess Shares each Equity Shareholder indicated he would accept bears to the total number of Excess Shares applied for.

8.2 Subject to Article 8.1 and to the provisions of section 561 and section 562 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 such persons at such times and generally on such terms and conditions as they think proper, provided that:

- (a) no New Securities to which the foregoing provisions of Article 8.1 applies shall be issued more than three months after the expiry of the period for acceptance of the last offer of such New Securities unless the procedure set out in Article 8.1 is repeated in respect of such New Securities (and so that the limit set out in this Article 8.2 shall apply equally to any repetition of that procedure); and
- (b) no New Securities shall be issued to a third party at a price (or equivalent consideration) less than that at which they were offered to the members of the Company in accordance with the foregoing provisions of Article 8.1. Accordingly, if the Directors are proposing to issue such New Securities wholly or partly for non-cash consideration, the non-cash value of such consideration for the purposes of this sub-paragraph shall be as determined by the Auditors who shall act as experts and not as arbitrators and whose determination, in the absence of manifest error, shall be final and binding on the Company and each of its members. The costs of the Auditors shall be borne by the Company.

8.3 The pre-emption provisions of section 561 and section 562 of the Act and the provisions of Articles 8.1 and 8.2 shall not apply to:

- (a) any allotment of Ordinary Shares pursuant to any employee share option scheme (subject to a maximum of 3.5% (869 Ordinary Shares));



**9. Lien**

9.1 The Company has a lien ("**Company Lien**") over every Share whether or not fully paid registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder thereof or one of several joint holders for all monies payable by him (either alone or jointly with another person) whether payable immediately or at some time in the future.

9.2 The Company's Lien over a Share:

- (a) takes 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.

9.3 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.

9.4 Subject to the provisions of this Article 9.4, if:

- (a) a Lien Enforcement Notice (as defined below) has been given in respect of a Share; and
- (b) the person to whom the notice was given has failed to comply with it,
- (c) the Company may sell that Share in such manner as the Directors decide.

9.5 A notice of enforcement of a Lien ("**Lien Enforcement Notice**"):

- (a) may only be given 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 within 14 clear days of the notice (that is, excluding the date on which the notice is given and the date on which that 14 day period expires);
- (d) must be addressed either to the holder of the Share or to a transmittee of that holder; and
- (e) must state the Company's intention to sell the Share if the notice is not complied with.

9.6 Where Equity Shares are sold under this Article 9.6:

- (a) the Directors may authorise any person to execute an instrument of transfer of the Equity Shares to the purchaser or to a person nominated by the purchaser; and

- (b) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale.
- 9.7 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; and
  - (b) second, to the person entitled to the Equity Shares at the date of the sale, but only after the certificate for the Equity Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the Directors has been given for any lost certificates, and subject to a lien equivalent to the Company's Lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Equity Shares before the sale in respect of all Equity Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the Lien Enforcement Notice.
- 9.8 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 sold to satisfy the Company's Lien on a specified date:
  - (a) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Equity Shares; and
  - (b) subject to compliance with any other formalities of transfer required by the Articles or by law, constitutes a good title to the Equity Shares.
- Call notices*
- 9.9 Subject to the Articles and the terms on which Shares are allotted, the Directors may send a notice ("call notice") to a Shareholder requiring the Shareholder to pay the Company a specified sum of money ("call") which is payable to the Company at the date when the Directors decide to send the call notice.
- 9.10 A call notice:
  - (a) may not require a Shareholder to pay a call which exceeds the total amount of his indebtedness or liability to the Company;
  - (b) must state when and how any call to which it relates is to be paid; and
  - (c) may permit or require the call to be made in instalments.
- 9.11 A Shareholder must comply with the requirements of a call notice, but no Shareholder is obliged to pay any call before 15 Business Days (that is, excluding the date on which the notice is given and the date on which that 15 Business Day period expires) have passed since the notice was sent.
- 9.12 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 notice,

by a further notice in writing to the Shareholder in respect of whose Shares the call is made.

*Liability to pay calls*

- 9.13 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid.
- 9.14 Joint holders of Shares are jointly and severally liable to pay all calls in respect of those Shares.
- 9.15 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:
  - (a) to pay calls which are not the same; or
  - (b) to pay calls at different times.

*When call notice need not be issued*

- 9.16 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:
  - (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.
- 9.17 But if the due date for payment of such a sum has passed and it has not been paid, the Shareholder concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture.

*Failure to comply with call notice: automatic consequences*

- 9.18 If a Shareholder is liable to pay a call and fails to do so by the call payment date:
  - (a) the Directors may issue a notice of intended forfeiture to that Shareholder; and
  - (b) until the call is paid, that Shareholder must pay the Company interest on the call from the call payment date at the relevant rate.
- 9.19 For the purposes of this Article:
  - (a) the "**call payment date**" is the time when the call notice states that a call is payable, unless the Directors give a notice specifying a later date, in which case the "**call payment date**" is that later date; and

- (i) the "**relevant rate**" is:
- (ii) the rate fixed by the terms on which the share in respect of which the call is due was allotted;
- (iii) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors; or
- (iv) if no rate is fixed in either of these ways, 5 per cent per annum.

9.20 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998.

9.21 The Directors may waive any obligation to pay interest on a call wholly or in part.

*Notice of intended forfeiture*

9.22 A notice of intended forfeiture:

- (a) may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice;
- (b) must be sent to the holder of that Share (or all the joint holders of that share) or to a transmittee of that Shareholder;
- (c) must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 15 Business Days after the date of the notice (that is, excluding the date on which the notice is given and the date on which that 15 Business Days period expires);
- (d) must state how the payment is to be made; and
- (e) must 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.

*Directors' power to forfeit shares*

9.23 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, 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.

*Effect of forfeiture*

9.24 Subject to the 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 Shareholder whose Share it was prior to the forfeiture and the Company.

9.25 Any Share which is forfeited in accordance with the Articles:

- (a) is deemed to have been forfeited when the Directors decide that it is forfeited;
- (b) is deemed to be the property of the Company; and
- (c) may be sold, re-allotted or otherwise disposed of as the Directors think fit.

9.26 If a Shareholder's Shares have been forfeited:

- (a) the Company must send that person notice that forfeiture has occurred and record it in the register of Shareholders;
- (b) that Shareholder ceases to be a Shareholder in respect of those Shares;
- (c) that Shareholder must surrender the certificate for the Shares forfeited to the Company for cancellation;
- (d) that Shareholder remains liable to the Company for all sums payable by that Shareholder under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture); and
- (e) the Directors may 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.

9.27 At any time before the Company disposes of a forfeited share, the Directors may decide to cancel the forfeiture on payment of all calls and interest and expenses due in respect of it and on such other terms as they think fit.

*Procedure following forfeiture*

9.28 If a forfeited share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the Directors may authorise any person to execute the instrument of transfer.

9.29 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) is 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.

9.30 A person to whom a forfeited share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share.

9.31 If the Company sells a forfeited share, the Shareholder who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which:

- (a) was, or would have become, payable;
- (b) had not, when that Share was forfeited, been paid by that Shareholder in respect of that Share; and
- (c) was properly due to the Company as a debt or liability on the issue of the Call Notice, which amount may, for the avoidance of doubt, be retained by the Company in satisfaction in whole or in part of that debt or liability,

but no interest is payable to such Shareholder in respect of such proceeds and the Company is not required to account for any money earned on them.

#### *Surrender of shares*

9.32 A Shareholder may surrender any Share:

- (a) in respect of which the Directors may issue a notice of intended forfeiture;
- (b) which the Directors may forfeit; or
- (c) which has been forfeited.

9.33 The Directors may accept the surrender of any such Share. The effect of surrender on a Share is the same as the effect of forfeiture on that Share. A Share which has been surrendered may be dealt with in the same way as a Share which has been forfeited.

### **10. Transfers of Equity Shares – General**

10.1 In Articles 10 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.

10.2 No Share may be transferred unless the transfer is made in accordance with these Articles and, other than in respect of a transfer of Equity Shares to a Permitted Transferee, with Investor Consent.

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

10.4 Any transfer of a Share by way of sale which is required to be made under Articles 12 to 18 (inclusive) will be deemed to include a warranty that the transferor sells with full title guarantee.

10.5 The Directors may refuse to register a transfer if it is a transfer of a share to a bankrupt, a minor or a person of unsound mind.

- 10.6 The Directors shall unless such requirement is waived by an Investor Majority, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' or investment agreement or similar document in force between some or all of the shareholders and the Company in such 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 such condition is imposed the transfer may not be registered unless such deed has been executed and delivered by the transferee.
- 10.7 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 therein) in breach of these Articles the Directors may, and shall if so requested in writing by an Investor Majority require any holder or the legal personal representatives or trustee in bankruptcy, receiver or liquidator of any holder or any person named as transferee in any transfer lodged for registration or such other person as the Directors or an Investor Majority may reasonably believe to have information relevant to such purpose, to furnish to the Company such information and evidence as the Directors may, acting reasonably, think fit regarding any matter which they deem relevant to such 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. Failing such information or evidence being furnished to enable the Directors to determine to their reasonable satisfaction that no such breach has occurred, or if as a result of such information and evidence the Directors are reasonably satisfied that such breach has occurred, the Directors shall forthwith notify the holder of such shares in the capital of the Company in writing of that fact whereupon:
- (a) the shares concerned shall cease to confer upon the holder thereof (or any proxy thereof) any rights:
    - (i) to vote whether on a show of hands or on a poll and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question; or
    - (ii) to receive dividends or other distributions (other than the Issue Price of the relevant shares in the capital of the Company upon a return of capital) otherwise attaching to such shares in the capital of the Company or to any further shares in the capital of the Company issued in respect of such shares or in pursuance of an offer made to the relevant holder; and
  - (b) the holder may be required at any time following such notice to transfer some or all of its shares in the capital of the Company to such person(s) at such price as the Directors may require by notice in writing to such holder.
- 10.8 The rights referred to in 10.7(a) above may be reinstated by the Board subject to Investor Consent or, if earlier, shall be reinstated upon the completion of any transfer referred to in 10.7(b) above.

## 11. Permitted Transfers

- 11.1 Subject to Article 10.5, a Shareholder (the "**Original Shareholder**") may transfer all or any of his or its Equity Shares to a Permitted Transferee and in the case where a Permitted Transferee is a limited partnership such transfer may occur whether before or after a transfer to a limited partner of a limited partnership. This Article shall not apply if the Permitted Transferee is a partner, limited partner or Associate of a partner or limited partner of the Original Shareholder.
- 11.2 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Equity Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Equity Shares to those Permitted Transferees, in each case without restriction as to price or otherwise. Equity Shares previously transferred as permitted by this Article 11.2 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.
- 11.3 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than 15 Business Days after the date on which the Permitted Transferee so ceases, transfer the shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder without restriction as to price or otherwise (which in either case is not in liquidation) failing which it will be deemed to have given a Transfer Notice in respect of such Equity Shares.
- 11.4 If a Permitted Transferee who was a Member of the same Fund Group as the Original Shareholder ceases to be a Member of the same Fund Group, the Permitted Transferee must not later than 15 Business Days after the date on which the Permitted Transferee so ceases, transfer the shares held by it to the Original Shareholder or a Member of the same Fund Group as the Original Shareholder without restriction as to price or otherwise (which in either case is not in liquidation) failing which it will be deemed to give a Transfer Notice in respect of such Equity Shares. This Article shall not apply if the Permitted Transferee is a partner, limited partner or Associate of a partner or limited partner of the Original Shareholder.
- 11.5 A Trustee or Trustees may transfer any Equity Share:
- (a) to a company of which they hold the whole of the share capital and which they control (a "**Qualifying Company**"); or
  - (b) to the Original Shareholder or to another Permitted Transferee of the Original Shareholder; or
  - (c) to the new or remaining trustees upon a change of Trustees of a Family Trust (including on the death of a Trustee),
- without restrictions as to price or otherwise.
- 11.6 No transfer of Equity 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 trust in question are to be paid by the Company.

The provisions of Article 11.6 (a)(b)(c) shall not apply to any transfer to the Trustees of The Wood/Buxton Settlement as constituted by a Settlement dated 14 July 2008.

- 11.7 If a company to which a Share has been transferred under Article 11.5, ceases to be a Qualifying Company it must not later than the date 15 Business Days after the date on which it so ceases, transfer the Equity Shares held by it to the Trustees or to a Qualifying Company without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of such Equity Shares.
- 11.8 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, dissolution, annulment or judicial separation he must, within 15 Business Days of so ceasing either:
- (a) execute and deliver to the Company a transfer of the Equity Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) for such consideration as may be agreed between them; or
  - (b) give a Transfer Notice to the Company in accordance with Article 12.2;
- failing which he shall be deemed to have given a Transfer Notice.
- 11.9 On the death (subject to Article 11.2), bankruptcy or liquidation of a Permitted Transferee (other than a joint holder or a Trustee of a Family Trust) his personal representatives or trustee in bankruptcy or its liquidator must within 15 Business Days after the date of the grant of probate, the making of the bankruptcy order or the passing of a resolution or making of an order for winding up, execute and deliver to the Company a transfer of the Equity 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 15 Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, the personal representative or trustee in bankruptcy or liquidator will be deemed to have given a Transfer Notice.
- 11.10 Notwithstanding any other provision of these Articles, a transfer of any shares for which Investor Consent has been given may be made without restriction as to price or otherwise and any such transfer shall be registered by the Directors.

**12. Transfers of Shares subject to pre-emption rights**

12.1 Save where the provisions of Articles 11, 16, 17 and 18 apply, any transfer of Equity Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 12.

12.2 A Shareholder who wishes to transfer Equity Shares otherwise than as permitted under Article 15 (a "**Seller**") shall before transferring or agreeing to transfer any Equity Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:

- (a) the number of Equity Shares which he wishes to transfer (the "**Sale Shares**");
- (b) if he wishes to sell the Sale Shares to a third party the name of the proposed transferee;
- (c) the price (in cash) at which he wishes to transfer the Sale Shares (which will be deemed to be Fair Value of the Sale Shares if no cash price is specified) (the "**Transfer Price**"); and
- (d) whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders ( a "**Minimum Transfer Condition**").

12.3 Except with Investor Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

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

12.5 As soon as practicable following the later of:

- (a) receipt of a Transfer Notice; and
- (b) in the case where the Transfer Price has not been specified or such Transfer Notice is deemed to have been served, the determination of the Transfer Price under Article 13.1,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Articles 12.6 to 12.8. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

**12.6 *Priority for Sale Shares***

The Company shall offer the Sale Shares in the following priority:

- (a) first, to the F Ordinary Shareholders;
- (b) second, to the E Ordinary Shareholders;
- (c) third, to the D Ordinary Shareholders;
- (d) fourth, to the Ordinary Shareholders,

in each case on the basis as set out in Article 12.

## 12.7 *Transfers: First Offer*

- (a) The Board shall offer the Sale Shares pursuant to the Priority Rights to all shareholders set out in Article 12.6(a) other than the Seller (the "**Continuing Shareholders**") inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the offer (inclusive) (the "**First Offer Period**") for the maximum number of Sale Shares they wish to buy.
- (b) If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Articles 12.7 and 12.8 will be conditional on the fulfilment of the Minimum Transfer Condition.
- (c) If, at the end of the First Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares bears to the total number of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares held by those Continuing Shareholders who have applied for Sale Shares but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.
- (d) If not all Sale Shares are allocated in accordance with Article 12.7(c) but there are applications for Sale Shares that have not been satisfied such Sale Shares shall be allocated to the relevant applicant(s) whose applications have not been satisfied in accordance with the procedure set out in Article 12.7(c) as if the references therein to Continuing Shareholders was a reference to such applicants.
- (e) If, at the end of the First Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Initial Surplus Shares**") will be dealt with in accordance with Article 12.8.

## 12.8 *Transfers: Second Offer*

- (a) At the end of the First Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders set out in Article 12.6(c) inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Second Offer Period**") for the maximum number of the Initial Surplus Shares they wish to buy.
- (b) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for exceeds the number of Initial Surplus Shares, the Board shall allocate the remaining Initial Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Equity Shares (as if all classes of Equity Shares constituted one class) bears to the total number of Equity Shares (including Sale Shares) (as if all classes of Equity Shares constituted one class)

held by those Continuing Shareholders who have applied during the Second Offer Period for Initial Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Initial Surplus Shares which he has stated he is willing to buy.

- (c) If, at the end of the Second Offer Period, the number of Initial Surplus Shares applied for is less than the number of Initial Surplus Shares, the Board shall allocate the Initial Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Second Surplus Shares**") will be offered to any other person in accordance with 12.9.

#### 12.9 *Transfers: Third Offer*

- (a) At the end of the Second Offer Period, the Board shall offer the Initial Surplus Shares to all the Continuing Shareholders set out in Article 12.6(c) inviting them to apply in writing within the period from the date of the offer to the date 15 Business Days after the date of the offer (inclusive) (the "**Third Offer Period**") for the maximum number of the Second Surplus Shares they wish to buy.
- (b) If, at the end of the Third Offer Period, the number of Second Surplus Shares applied for exceeds the number of Second Surplus Shares, the Board shall allocate the remaining Second Surplus Shares to each Continuing Shareholder in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of Equity Shares (as if all classes of Equity Shares constituted one class) bears to the total number of Equity Shares (including Sale Shares) (as if all classes of Equity Shares constituted one class) held by those Continuing Shareholders who have applied during the Third Offer Period for Second Surplus Shares but no allocation shall be made to a Shareholder of more than the maximum number of Second Surplus Shares which he has stated he is willing to buy.
- (c) If, at the end of the Third Offer Period, the number of Second Surplus Shares applied for is less than the number of Second Surplus Shares, the Board shall allocate the Second Surplus Shares to the Continuing Shareholders in accordance with their applications and the balance (the "**Third Surplus Shares**") will be offered to any other person in accordance with 12.10(e).

#### 12.10 *Completion of transfer of Sale Shares*

- (a) If the Transfer Notice includes a Minimum Transfer Condition and the total number of Equity Shares applied for is less than the number of Sale Shares the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Articles 12.7 to 12.9 inclusive stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.
- (b) If:
  - (i) the Transfer Notice does not include a Minimum Transfer Condition; and

- (ii) allocations have been made in respect of all the Sale Shares,

the Board shall, when no further offers are required to be made under Articles 12.7 to 12.9 inclusive, 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 later than 14 days nor more than 28 days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

- (c) Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.
- (d) If the Seller fails to comply with the provisions of Article 12.10(c):
  - (i) the Chairman of the company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:
    - (A) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;
    - (B) receive the Transfer Price and give a good discharge for it; and
    - (C) (subject to the transfer being duly stamped) enter the Applicants in the register of members as the holders of the Equity Shares purchased by them; and
  - (ii) the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered to the Company his certificate or certificates for the relevant Equity Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate).
- (e) If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 12.10(f), the Seller may, within eight weeks after service of the Allocation Notice, transfer the unsold Sale Shares to any person at a price at least equal to the Transfer Price provided that the sale of the unsold Sale Shares shall continue to be subject to any Minimum Transfer Conditions.
- (f) The right of the Seller to transfer Equity Shares under Article 12.10(e) does not apply if:
  - (i) the transferee is a person (or a nominee for a person) who an Investor Majority 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;
  - (ii) the Board is of the opinion on reasonable grounds that the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

- (iii) the Board is of the opinion on reasonable grounds that the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

#### 12.11 *Prohibition or other transfers*

Whilst any Equity Shares are being transferred or are the subject of a Transfer Notice under this Article 12 no transfers of Equity Shares shall be permitted save for a Permitted Transfer.

#### 12.12 *Waiver of restrictions*

The restrictions imposed by this Article 12 may be waived in relation to any proposed transfer of Equity Shares with the consent of Shareholders who, but for such waiver, would or might have been entitled to have such shares offered to them in accordance with this Article.

### 13. **Valuation of Shares**

13.1 If a Transfer Notice does not specify a Transfer Price or if a Transfer Notice is deemed to have been served then, upon service of the Transfer Notice or, in the case of the deemed service of a Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to such deemed service, the Board shall either:

- (a) appoint expert valuers in accordance with Article 13.2 (the "**Expert Valuers**") to certify the Fair Value of the Sale Shares; or, if the Fair Value has been certified by Expert Valuers within the preceding 12 weeks;
- (b) 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.

13.2 The Expert Valuers will be either:

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

13.3 The "**Fair Value**" of each Sale Share 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 Equity Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent; and
  - (e) reflect any other factors which the Expert Valuers reasonably believe should be taken into account.
- 13.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuers shall resolve that difficulty in such manner as they shall in their absolute discretion think fit.
- 13.5 The Expert Valuers shall be requested to determine the Fair Value within 20 Business Days of their appointment and notify the Board of their determination. The fees of the Expert Valuers shall be borne by the Company.
- 13.6 The Expert Valuers shall act as an expert and not as an arbitrator and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 13.7 The Expert Valuers may have access to all accounting records or other relevant documents of the Company, subject to any confidentiality provisions.
- 14. Compulsory transfers – general**
- 14.1 A person entitled to Shares in consequence of the bankruptcy of a member shall be deemed to have given a Transfer Notice in respect of such share at such time as determined by the Directors.
- 14.2 If a Share remains registered in the name of a deceased member for longer than one year after the date of his death the Directors may require the legal personal representatives of such deceased member either:
- (a) to effect a Permitted Transfer of such Equity Shares (including for such purpose an election to be registered in respect thereof); 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 member.
- If either such requirement 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, and at such time as, the Directors may determine.
- 14.3 If a member which is a company or a Permitted Transferee of such member, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets, such member or Permitted Transferee shall be deemed to have given a Transfer Notice in respect of all the shares held by such member and/or such Permitted Transferee save to the extent that, and at such time as, the Directors may determine.

- 14.4 For the avoidance of doubt and without limitation, no share (other than any share so held on the date of adoption of these Articles) shall be held by any member as a bare nominee for, and no interest in any share shall be sold to, any person unless a transfer of such share to such person would rank as a Permitted Transfer. If the foregoing provision shall be infringed the holder of such share shall be bound to give a Transfer Notice in respect thereof.
- 14.5 If there is a change in control (as control is defined in section 1124 CTA 2010) of any member which is a company (other than any member which is a Fund or nominee or custodian for a Fund) or a Permitted Transferee of such member, 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 Equity Shares registered in its and their names and their respective nominees' names save in the case of the Permitted Transferee, it shall first be permitted to transfer such Equity Shares back to the original member from whom it received its Equity Shares or to any other Permitted Transferee before being required to serve a Transfer Notice.
- 14.6 If a member being a company ceases to be within the control (as such term is defined by section 1124 of CTA 2010) of the person(s) who controlled such company on the date on which it became a member of the Company or on the date of adoption of these Articles (whichever shall be the later) it shall be deemed to have immediately given a Transfer Notice in respect of all the shares as shall then be registered in its name; provided that this Article shall have no application to an Investor or to any member of an Investor's group or to any Co-Investment Scheme.
- 14.7 Where any member holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person in relation to whom such member was a Permitted Transferee ceases to be such a Permitted Transferee, the member shall immediately transfer all such Shares to the person who originally transferred such Shares to them or to any other Permitted Transferee of such original transferor (a "**Transfer Back**") and prior to such Transfer Back occurring the provisions of Article 7.9 shall apply.
- 14.8 If and when any shares in the Company held by Trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company held by such Trustees and such shares may not otherwise be transferred.
- 14.9 *Compulsory Transfers – Leaving Employee Members*
- (a) Transfers under this Article are in these Articles referred to as ("**Compulsory Employee Transfers**"). An Employee Member the subject of a Compulsory Employee Transfer shall not receive any offers pursuant to Article 12 and shall be treated as a Seller (as defined in Article 12) for those purposes.
  - (b) If an Employee Member ceases to be an Employee Member (including ceasing to hold any of the roles of director, employee or consultant of the Company or any of its Subsidiaries) and does not continue in that capacity in relation to any of them prior to the end of the Relevant Period and an Investor Majority agree this should give rise to a transfer of shares, Transfer Notices shall, unless an



Investor Majority make a determination pursuant to Article 14.9(g), be deemed to have been served on the relevant Termination Date in respect of:

- (i) the Relevant Shares (including such Relevant Shares as are issued to him after the date he so ceases) then held by the Employee Member; and
- (ii) all Relevant Shares then held by the Employee Member's Privileged Relations (other than shares which the directors are satisfied were not acquired by such holders either (i) directly or indirectly from the Employee Member or (ii) by reason of their connection with the Employee Member, and the decision of the Board in this respect will be final) or,

in each case, such lesser proportion of such shares as an Investor Majority and the Board may agree.

- (c) In the case of Compulsory Employee Transfers the provisions of Article 15(a) shall not apply and the Transfer Price shall be:
  - (i) where the Employee Member is not a Good Leaver the Sale Price for the Ordinary Shares shall be the Restricted Price for each Ordinary Share; and
  - (ii) where the Employee Member is a Good Leaver the Sale Price for each Ordinary Share shall be fair value determined in accordance with Article 13.
- (d) For the purposes of Article 16.6, the Priority Rights shall be such that the Relevant Shares are offered to:
  - (i) first, to the F Ordinary Shareholders;
  - (ii) second to the E Ordinary Shareholders;
  - (iii) third to the Ordinary Shareholders;
  - (iv) fourth, any participants or potential participants in, or trustees of the Company's employee share option plan (other than the departing Employee Member); and/or
  - (v) fifth, any other person or persons approved by an Investor Majority and by the Board (other than the departing Employee Member); and/or
  - (vi) sixth the Company (subject always to the provisions of the Act).
- (e) All voting rights attached to Relevant Shares held by any such Employee Member and by his Permitted Transferees, if any, shall at the time he ceases to be an Employee Member (or, if later, the date on which any Relevant Shares are issued to him) forthwith be suspended and the right to attend and vote at general meetings attaching to that members shares (if any) may only be exercised by the Chairman and no other person.
- (f) Such Relevant Shares whose voting rights are suspended pursuant to Article 14.9(e) ("**Restricted Shares**") shall confer on the holders thereof the right to receive a notice of and attend all general meetings of the Company but shall

have no right to vote either in person or by proxy. If a person holding such Restricted Shares transfers any of them 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.

- (g) An Investor Majority may determine that an Employee Member and any person holding shares as a result of a transfer from such Employee Member as referred to in Article 14.9(b)(ii) shall retain all shares then held by them (the "**Retained Shares**") and the provisions of Article 14.9(h) shall apply to such Retained Shares.
- (h) Upon the occurrence of any Exit or return of capital pursuant to Article 5, the proceeds to be paid to a holder of Retained Shares in respect of each Retained Share shall be the lower of the Sale Price agreed or determined in accordance with Article 12.5(b) and the price to be paid for the Retained Shares upon distribution of the proceeds of the Exit or return of capital in accordance with these Articles.

#### **15. Deemed Transfer Notice**

In any case where the Board may require a Transfer Notice to be given in respect of any Equity Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period. If a Transfer Notice is required to be given or is deemed to have been given under these Articles, the Transfer Notice will be treated as having specified that:

- (a) the Transfer Price for the Sale Shares will be as agreed between the Board (any director with whom the Seller is connected (within the meaning of section 346 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; and
- (c) the Seller wishes to transfer all of the Equity Shares held by it.

#### **16. Transfers of Substantial Interests**

- 16.1 Except in the case of Permitted Transfers and transfers pursuant to Articles 14 and 15, after going through the pre-emption procedure set out in Article 12, the provisions of Article 16.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any of the Equity Share Capital (the "**Proposed Transfer**") which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons acting in concert with him) acquiring a Controlling Interest in the Company.
- 16.2 A Proposed Seller must, before making a Relevant Proposed Transfer procure the making by the Proposed Purchaser of an offer (the "**Offer**") to the other Shareholders to acquire all of the Company's equity share capital for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 17.2).

- 16.3 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 Equity Shares proposed to be purchased by the Proposed Purchaser (the "**Proposed Sale Shares**").
- 16.4 If any other holder of equity share capital in the Company is not given the rights accorded him 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 such a sale into effect.
- 16.5 If the Offer is accepted by any Shareholder (an "**Accepting Shareholder**") within the Offer Period, the completion of the Relevant Proposed Transfer will be conditional upon the completion of the purchase of all the Equity Shares held by Accepting Shareholders.
- 16.6 The Relevant Proposed Transfer is subject to the pre-emption provisions of Article 12 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 12.

**17. Tag-along Right**

- 17.1 No transfer (other than a Permitted Transfer) of any Equity Shares held by the Shareholders may be made or validly registered (the "**Proposed Transfer**") unless the relevant Shareholders shall have procured that a written offer complying with the provisions of Article 17.4 is made by the Proposed Purchaser (or any person or persons acting in concert with him) to whom such Shareholders propose to make the Proposed Transfer (each a "**Proposed Transferee**") to the Investors (for so long as they are Shareholders) to acquire the Relevant Percentage of their entire holdings of Equity Shares at the Specified Price.

- 17.2 For the purpose of Articles 16 and 17:

- (a) the expression "**transfer**" and "**purchaser**" shall include respectively the renunciation of a renounceable letter of allotment and the renounee under any such letter of allotment respectively;
- (b) the expression "**Specified Price**" shall mean in respect of each Share a sum in cash per Share equal to the highest price per Share offered or paid by the Proposed Transferee:

- (i) in the Relevant Proposed Transfer; or
- (ii) 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 Relevant Proposed Transfer,

plus an amount equal to the Relevant Percentage 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, 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 Equity Shares, provided however that in the case of the D Ordinary Shares and E Ordinary Shares and F Ordinary Shares the "Specified Price"

shall not be less per share than that which a D Ordinary Shareholder or E Ordinary Shareholder or F Ordinary Shareholder would receive under Article 5.2.

(c) **Relevant Percentage** =  $A/B \times 100$

Where: A = number of Equity Shares being sold by the Proposed Seller;

B = number of Equity Shares held by the Proposed Seller immediately before the Relevant Proposed Transfer.

17.3 The Proposed Transfer is subject to the pre-emption provisions of Article 12, but the offer to purchase the balance of the issued shares of the Company shall not be subject to Article 12.

17.4 The offer referred to in Article 17.1 shall:

- (a) be open for acceptance for a period of at least 20 Business Days following the making of the offer;
- (b) be at the Specified Price;
- (c) be in relation to all Equity Shares held by the Investors on terms that the purchase of any other Equity Shares in respect of which such offer is accepted shall be completed at the same time and, subject to the provisions of Article 17.2, at the same price (so long as it is at least equal to the Specified Price) as the transaction triggering the provisions of this Article 17.

## 18. Drag-Along

18.1 If an offer is received from a Proposed Purchaser to acquire all the Equity Shares the holders of 60% of the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares, ("Selling Shareholders") wish to transfer all their interest in Equity Shares (the "Sellers' Shares") to the Proposed Purchaser, the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders of Equity Shares (the "Called Shareholders") to sell and transfer all their Equity Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct in accordance with the provisions of this Article. The provisions of this Article 18 shall also apply in the case of the sale of the assets of the Company ("Assets"), whereby the holders of 60% of the D Ordinary Shares, the E Ordinary Shares and the F Ordinary Shares, wish to sell the Assets to the Proposed Purchaser, the Selling Shareholders shall have the option to require all the other holders of Equity Shares to agree to sell and transfer the Assets to the Proposed Purchaser or as the Proposed Purchaser shall direct.

18.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a "Drag Along Notice") to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Proposed Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the "Called Shares") pursuant to this Article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article) and the proposed date of transfer.

- 18.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Proposed Purchaser within 40 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.
- 18.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be that to which they would be entitled if the total consideration proposed to be paid by the Proposed Purchaser were distributed to the holders of the Called Shares and the Sellers' Shares in accordance with the provisions of Article 5.2.
- 18.5 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this Article.
- 18.6 Within five Business Days of the Selling Shareholders serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Equity Shares, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. On the expiration of such five Business Day period the Company shall pay the Called Shareholders, on behalf of the Proposed Purchaser, the amounts they are due pursuant to Article 18.4 to the extent the Proposed Purchaser has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts due to the Called Shareholders pursuant to Article 18.4 in trust for the Called Shareholders without any obligation to pay interest.
- 18.7 To the extent that the Proposed Purchaser has not, upon the expiration of such five Business Day period, put the Company in funds to pay the price due pursuant to Article 18.4, the Called Shareholders shall be entitled to the return of the stock transfer forms and share certificate (or suitable indemnity) for the relevant Equity Shares and the Called Shareholders shall have no further rights or obligations under this Article 18 in respect of their Equity Shares.
- 18.8 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for their Equity Shares to the Company upon the expiration of such five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer such Called Shareholder's Shares on such Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)) to the extent the Proposed Purchaser has, upon the expiration of such five Business Day period, put the Company in funds to pay the price for such Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Equity Shares to the Company. On surrender, he shall be entitled to the amount due to him pursuant to Article 18.4.
- 18.9 Any transfer of Equity Shares to a Proposed Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 12.
- 18.10 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the

Company or pursuant to the conversion of any convertible security of the Company (a "New Member"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all such Equity Shares acquired by them to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply mutatis mutandis to the New Member save that completion of the sale of such Equity Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

- 18.11 If E Ordinary Shareholders, D Ordinary Shareholders and the F Ordinary Shareholders constituting a sufficient majority to have the right to a Drag Along Option in accordance with Article 18.1 (using the valuation implicit in the proposed Flotation to determine what majority is required) ("**Flotation Majority**") agree that any Equity Shares should be admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's market for listed securities or any other recognised investment exchange (as defined in Section 285 of the Financial Services and Markets Act 2000) or the unconditional grant of permission to trade in the Equity Shares on the Alternative Investment Market ("**Flotation**") then they shall give written notice of this to all other members and:

- (a) all other members shall be deemed to have voted in favour of all resolutions and to have waived or consented to all matters requiring a waiver or consent pursuant to the Articles which are necessary to enable the Flotation to proceed and are of a procedural nature which do not adversely affect the economic value of their interests or shareholdings;
- (b) upon written notice from the Flotation Majority to each other member each recipient thereof shall be obliged to sell to the sponsor on the Flotation or as such sponsor directs such percentage of Ordinary Shares held by such member as is equal to the percentage of each D Shareholder's holding of [D Ordinary Shares, E Ordinary Shares and the F Ordinary Shares which are being sold on the Flotation at the price per D Ordinary Share, E Ordinary Share and F Ordinary Share at which such D Ordinary Shares and E Ordinary Shares and F Ordinary Shares are being sold],

on the basis that all other regulations of the Company relating to the transfer of shares including any restrictions thereon and the right to registration of transfers shall be read subject to the provisions of this Article.

## 19. Anti Dilution Protection

- 19.1 In the event that New Securities are issued by the Company at a price per New Security which equates to less than the Issue Price per share ("**Qualifying Issue**") (or in the event that the New Security is not issued for cash, the Issue Price of such Qualifying Issue shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new cash consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any of the holders of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares shall have specifically waived their rights hereunder in writing, offer (such offer, unless waived, to remain open for acceptance for not less than 15 Business Days) offer to each holder of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares ("**Exercising Investor**") the right to

receive such number of new D Ordinary Shares or E Ordinary Shares or F Ordinary Shares by applying the following formula (and rounding the product, N, down to the nearest whole share) ("**Anti-Dilution Shares**"):

$$N = \left( \frac{W}{X} \right) - Z$$

Where:

N = the number of Anti-Dilution Shares;

W = the total amount subscribed (whether in cash or by way of conversion of a loan) by each Exercising Investor for his D Ordinary Shares or E Ordinary Shares or F Ordinary Shares;

X = the price (if any) at which each New Security is to be issued (which in the event that the New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbiters as being in their opinion the current cash value of the non-cash consideration for the allotment of the New Securities);

Z = the number of D Ordinary Shares or E Ordinary Shares or F Ordinary Shares as the case may be, held by each relevant Exercising Investor prior to a Qualifying Issue,

on the basis that the calculations for determining the number any Anti-Dilution Shares will be done separately for the D Ordinary Shares, E Ordinary Shares and F Ordinary Shares.

19.2 The Anti-Dilution Shares shall:

- (a) be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or a majority of the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par. In this case, the Exercising Investor shall not be obliged to pay up the Anti-Dilution Shares until the closing of an Exit occurs providing the Exercising Investor with sufficient funds to pay up the Anti-Dilution Shares or, in case such Exit is structured as an asset deal any amounts unpaid shall be deducted from such Exercising Shareholder's right to receive distributions as part of the Exit. In the event that the Company then accumulates reserves sufficient to pay up the Anti-Dilution shares, such reserves shall be automatically capitalized. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 19.1, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of such matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor; and
- (b) subject to the payment of any cash payable pursuant to Article 19.2(a) (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in

all respects with the existing D Ordinary Shares or E Ordinary Shares or F Ordinary Shares, within 15 Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 19.2(a).

- 19.3 Notwithstanding anything to the contrary in these Articles, the Woods shall not be entitled, under any circumstances, to benefit from the provisions of this Article 19, including the right to receive any shares pursuant thereto.

**20. Directors' borrowing powers**

Subject to the provisions of these Articles and to the Investment Agreement, 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.

**21. Alternate directors**

Notwithstanding any provision of these Articles to the contrary, any person appointed as a director may appoint such person as he thinks fit to be his, her or its alternate Director and the appointment of such alternate Director shall not require approval by a resolution of the Directors.

**22. Number of Directors**

Unless and until otherwise determined by ordinary resolution of the Company the number of directors shall not exceed 6 and shall not be less than 2.

**23. Appointment of Directors**

- 23.1 Each holder of not less than fifteen per cent. of the total nominal amount of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares, combined, in issue shall be entitled to:

- (a) nominate one person who is willing to act to act as a Director ("Investor Director") as an additional director of the Company by notice in writing addressed to the Company from time to time and the other holders of Equity Shares shall not vote their Equity Shares so as to remove those Directors from office. Each Investor shall be entitled to remove their nominated Director so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place;
- (b) appoint and remove one observer to the Board, provided only if such holder of not less than fifteen per cent. of the total nominal amount of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares, combined, has not appointed an Investment Director pursuant to Article 23.1(a). To the extent that an Investor holds less than an aggregate of 15% of the total amount of the issued D Ordinary Shares, E Ordinary Shares and F Ordinary Shares but holds more than 10% of the total amount of the issued E Ordinary Shares or F Ordinary Shares, such investor shall have the right to appoint and remove one observer to the Board. An observer shall be given (at the same time as the Directors) notice of all meetings of the Directors and all agendas, minutes and other papers relating to such meetings. An observer shall be entitled to attend any and all such meetings and to



speak and place items on the agenda for discussion provided that an observer shall not be entitled in any circumstances to vote. The relevant appointer of the observer may remove an observer appointed by it and appoint another person in his place.

- 23.2 In addition, the holders of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares, acting as one class, shall be entitled to appoint nominate one person who is willing to act to act as a director as an non-executive director of the Company by notice in writing addressed to the Company and to remove their nominated director so appointed, provided this appointment is agreed by 60% of the holders of D Ordinary Shares, E Ordinary Shares and F Ordinary Shares, acting as one class.
- 23.3 Upon request by an Investor Majority the Directors shall also procure that a Director nominated by the Investor Majority is appointed and acts as Chairman of the Board of the Company ("**Chairman**"). It is recorded that the Chairman appointed as at Completion is John Lambert. The Chairman shall have a second or a casting vote at meetings of the Board. An Investor Majority shall be entitled to remove the nominated Chairman so appointed at any time by notice in writing to the Company served at its registered office and appoint another person to act in his place.
- 23.4 Upon request by an Investor Majority the Company shall also procure that the Directors appointed by them are also appointed Director(s) of any Subsidiary Undertaking of the Company.
- 23.5 On any shareholder resolution to remove any Investor Director, the D Ordinary Shares, E Ordinary Shares and F Ordinary Shares shall carry at least one vote in excess of 75 per cent of the votes exercisable at the general meeting at which such resolution is proposed.
- 23.6 The Chief Executive Officer shall be entitled to be a Director of the Company.
- 23.7 Each of Dr Camilo Colaco and Dr Christopher Bailey (for so long as each of them is an employee and shareholder of the Company and provided he is not a Director) shall be entitled, as an observer, to attend all meetings of the Board and receive copies of all board papers as if he were a Director but shall not be entitled to vote on any resolutions proposed at a board meeting.
- 23.8 An appointment or removal of a Director under Article 23.1 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.
- 23.9 Each Investor Director shall be entitled to be appointed to any committee of the Board established from time to time and to the board of directors of any Subsidiary Undertaking.

#### **24. Disqualification of Directors**

The office of a Director shall be vacated if he is convicted of a criminal offence (other than a minor motoring offence) and the Directors resolve that his, her or its office be vacated.

## **25. Proceedings of Directors**

25.1 Notice of every meeting of the directors shall be given to each director at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may be held by conference telephone or similar equipment as long as the participants can all hear each other, providing that there shall be at least 10 meetings of the directors per annum, at which every alternate meeting all Directors shall be physically present.

25.2 Subject to the provisions of the Act and Article 25.4 and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company of which he is a partner or member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
- (e) shall be entitled to vote and be counted in the quorum on any matter concerning the foregoing paragraphs of this Article; and
- (f) may have any other interest authorised by ordinary resolution.

25.3 For the purposes of this Article:

- (a) 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;
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in

relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

- 25.4 The written consent of the holders of 60% or more of the D Ordinary Shares, E Ordinary Shares and F Ordinary Shares shall be required before the Company or any member of the Group shall:
- (a) through its directors, authorise for the purposes of section 175 of the Companies Act 2006 or otherwise any situation or matter in which any director (other than an Investor Director) has, or can have, a direct or indirect interest which conflicts, or may possibly conflict, with the interests of the Company;
  - (b) amend or vary any authorisation referred to in Article 25.4(a).
- 25.5 Subject to Article 25.4 the directors are hereby empowered for the purposes of section 175 and 180 (4) of the Companies Act 2006 to authorise any Conflict Situation that may arise and to amend or vary any such authorisation so given. Any such authorisation, amendment or revocation shall be given by resolution of the directors made in accordance with these Articles and, in the case of such authorisation, that section. The director may give any such authorisation subject to such terms as they shall consider appropriate and reasonable in the circumstances.
- 25.6 For the purposes of sections 175 and 180(4) of the Companies Act 2006 and for all other purposes, it is acknowledged that any Investor Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been and/or may become an employee, director, trustee, member, partner, officer or representative of, or a consultant to, or otherwise commercially involved with:
- (a) each and any Investor by whom he has been appointed a director of the Company and/or any subsidiary of it; and/or
  - (b) any person or entity which, as regards that Investor, is:
    - (i) an Associate, investment manager or investment adviser of or to it;
    - (ii) a member for the time being of its Investor Group;
    - (iii) any body corporate controlled by it or another member of its Investor Group, or in which it or another member of its Investor Group may have an economic interest;
    - (iv) any investment fund or trust or partnership controlled, managed, advised (in an investment adviser capacity) or promoted by it or another member of its Investor Group or any investment manager or adviser of or to it; or
    - (v) any trustee, manager, beneficiary, shareholder, partner, unitholder of any participant in or of it or any investment fund, trust or partnership referred to in sub-paragraph (d) above, (each of the above being an "Investor Affiliate").

- 25.7 An Investor Director's duties to the Company arising from his holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 25.6 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Articles 25.6(a) and 25.6(b), (irrespective of whether the activities of such person or entity are competitive with those of the Company and/or any of its subsidiaries).
- 25.8 Any Investor Director the subject of a Conflict Situation envisaged by Article 25.6 shall be entitled to:
- (a) receive notice (including any relevant board papers) of, attend, count in the quorum towards and vote at board meetings relating in any way to, and deal generally with, matters concerning, connected with or arising from the Conflict Situation concerned; and
  - (b) keep confidential and not disclose to the Company any information which comes into his possession as a result of such Conflict Situation where such information is confidential as regards any third party.
- 25.9 At any meeting of the Directors (or of any Committee of the Directors) a Director may vote on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest. If he does vote on any such resolution, his vote shall be counted. Such a Director shall be counted as part of the quorum present at the meeting (and in relation to such a resolution) whether or not the Director votes on the resolution save and except that he must act in accordance with any such terms, conditions, or limitations imposed by the authorising directors pursuant to section 175 (5) of the Act.
- 25.10 If the Company has only one director from time to time, the quorum for directors meetings shall be one. If it has more than one director, the quorum for directors meetings shall be 50% of the Investor Directors appointed to the Board.

## **26. Notices**

- 26.1 Subject to article 26.2 a notice in writing given under these articles may:

- (a) be delivered or sent by first class post (airmail if overseas):
 

in the case of a Shareholder or his legal personal representative or trustee in bankruptcy:	to the Shareholder's address as shown in the company's register of Shareholders or the address notified to the company for that purpose;
in the case of a Director or alternate:	to his last known address or the address last notified to the company for that purpose; and
in the case of the company:	to its registered office,

- (b) where an address for email or other form of electronic communication has been notified to or by the company for that purpose, be sent by the relevant form of electronic communication to that address.

26.2 Any such notice will be deemed to have been served and be effective:

- (a) if delivered, at the time of delivery; and
- (b) if posted, email or any other form of electronic communication on receipt or 48 hours after the time it was sent, whichever occurs first.

26.3 In the case of joint holders of a share all notices must be given to the joint holder whose name stands first in the register of Shareholders of the company in respect of the joint holding. Notice so given constitutes notice to all the joint holders.

## **27. Indemnities and Insurance**

27.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company or in connection with any application under Section 661 or Section 1157 of the Act in which relief is granted to him by the Court. For the purposes of this Article, no person appointed or employed by the Company as an Auditor is an officer of the Company.

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

## **28. Liability of members**

The liability of members is limited to the amount, if any, unpaid on the shares held by them.

## Index

Clause No.	Page No.
1. Introduction .....	1
2. Definitions .....	2
3. Share capital.....	9
4. Dividends.....	9
5. Distributions.....	10
6. Votes in general meeting.....	11
7. Variation of Rights .....	11
8. Allotment of new shares or other securities: pre-emption .....	13
9. Lien .....	15
10. Transfers of Equity Shares – General .....	20
11. Permitted Transfers .....	22
12. Transfers of Shares subject to pre-emption rights .....	24
13. Valuation of Shares.....	28
14. Compulsory transfers – general .....	29
15. Deemed Transfer Notice.....	32
16. Transfers of Substantial Interests .....	32
17. Tag-along Right .....	33
18. Drag-Along .....	34
19. Anti Dilution Protection.....	36
20. Directors' borrowing powers.....	38
21. Alternate directors.....	38
22. Number of Directors .....	38
23. Appointment of Directors.....	38
24. Disqualification of Directors .....	39
25. Proceedings of Directors.....	40
26. Notices.....	42
27. Indemnities and Insurance .....	43
28. Liability of members .....	43

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