

The Companies Act 2006

Company limited by shares

Written resolutions

of

Muzicall Limited (the "Company")

(passed on 21<sup>st</sup> December 2007)

THURSDAY



Pursuant to written resolutions of the company duly circulated on 17<sup>th</sup> December 2007 at 10 a.m./p.m the following resolutions were passed on 21<sup>st</sup> December 2007 as resolutions of which resolutions 1, 2 and 3 were passed as ordinary resolutions and resolutions 4 and 5 were passed as special resolutions of the Company:

ORDINARY RESOLUTIONS

THAT:

Sub-division of authorised and issued ordinary share capital

1. Each Ordinary Share of £1 00 each in the authorised and issued share capital of the Company shall be sub-divided into 100 Ordinary Shares of £0.01 each in the authorised and issued share capital of the Company.

Cancellation of unissued ordinary share capital

- 2 990,000,000 authorised but unissued Ordinary Shares of £0.01 each in the capital of the Company be and are hereby cancelled

Increase in authorised share capital

- 3 Conditional upon the passing of Resolution 1 above, the authorised share capital of the Company be increased by £32,000 to £132,000 by the creation of 3,200,000 preferred series A shares of £0 01 5 ("Preferred Shares") each having the rights and restrictions contained in the New Articles of Association (as defined in Resolution 5 below)

Authority to allot shares

- 4 Conditional upon the passing of Resolutions 1, 2 and 3 above, and in addition to, and without prejudice to, any equivalent authority which may have been given to the directors prior to the date of the passing of this Resolution, the directors be and they are hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the Company to allot relevant securities (as defined in section 80(2)) of the Act provided that this authority shall be limited to the allotment and issue of up to 3,200,000 Preferred Shares and 1,477,200 Ordinary Shares and unless previously renewed, revoked, varied or

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extended, this authority shall expire at the date which is 5 years from the date of the passing of this resolution except that the Company may at any time before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired.

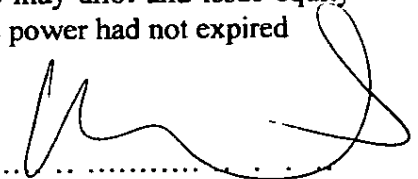
### **SPECIAL RESOLUTIONS**

#### **Adoption of new articles of association**

- 5 Conditional upon the passing of Resolutions 1, 2, 3 and 4 above, the draft regulations contained in the printed document signed by the Chairman for the purposes of identification (the "**New Articles of Association**") be and are adopted as the articles of association of the Company in substitution for, and to the exclusions of, the existing articles of association.

#### **Authority to allot shares of cash**

6. Conditional upon the passing of Resolutions 1, 2, 3, 4 and 5 above and in addition to, and without prejudice to, any existing power given to the directors previously, the directors be and they are empowered to allot equity securities of the Company for cash pursuant to the authority of the directors under section 80 of the Act conferred by Resolution 4 as if article 4.3 of the New Articles of Association of the Company did not apply to such allotment and issue provided the power conferred by this resolution shall be limited to the allotment and issue of 3,200,000 Preferred Shares and 1,477,200 Ordinary Shares each in the capital of the Company and unless previously revoked, renewed or extended this power shall expire on the date falling 5 years after the date of the passing of this resolution except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted and issued after such expiry and the directors may allot and issue equity securities in pursuance of such offer or agreement as if this power had not expired

  
.....  
Director/Secretary

## Articles of Association

of

### Muzicall Limited

Company number. 4964271

(Private company limited by shares)

as adopted by written special resolution passed on \_\_\_\_  
December 2007

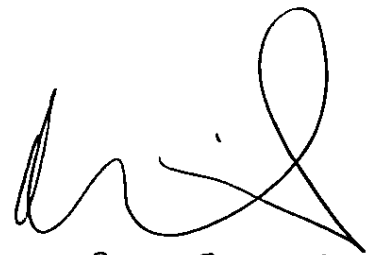


COMPANIES HOUSE

### Osborne Clarke

1 London Wall  
London  
EC2Y 5EB  
Telephone +44 (0) 20 7105 7000  
Fax +44 (0) 20 7105 7005

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A handwritten signature in black ink, appearing to read 'Mark Collins'.

MARK COLLINS  
CHAIRMAN - 17th Dec 07.

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**Company number: 4964271**

**The Companies Acts 1985 to 2006**

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**Private company limited by shares**

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**Articles of Association**

of

**Muzicall Limited (the "Company")**

(as adopted by written special resolution passed on \_\_\_\_ December 2007)

**1 Preliminary**

The regulations contained in or incorporated in Table A shall apply to the Company save insofar as they are excluded or varied by these Articles or are inconsistent with these Articles and such regulations (except as so excluded, varied or inconsistent) together with these Articles shall be the regulations of the Company (to the exclusion of any other regulations set out in any statute, statutory instrument or other subordinate legislation from time to time in force)

**2 Definitions and Interpretation**

***Definitions***

- 2 1 In these Articles, unless the context otherwise requires, the following words have the following meanings

"**1985 Act**" means the Companies Act 1985

"**2006 Act**" means the Companies Act 2006

"**Acts**" means (subject to Article 2.3) the Companies Acts and, where the context requires, every other statute, order, regulation, or other subordinate legislation from time to time in force in the United Kingdom concerning companies and affecting the Company

"**address**" has the meaning given in section 1148 of the 2006 Act

"**Articles**" means these articles of association as altered or varied from time to time (and "Article" means a provision of these Articles).

"**Board**" means the board of directors from time to time of the Company (or any duly authorised committee of it)

"**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)

"**Companies Acts**" has the meaning given in section 2 of the 2006 Act

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

"**document**" means any document, including, but not limited to, any summons, notice, order, register, certificate or other legal process

**"electronic address"** has the meaning given in section 333(4) of the 2006 Act

**"electronic form"** has the meaning given in section 1168 of the 2006 Act

**"electronic means"** has the meaning given in section 1168 of the 2006 Act.

**"hard copy form"** and **"hard copy"** has the meaning given in section 1168 of the 2006 Act (and any reference to "hard copy" shall be construed accordingly).

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

**"Ordinary Shares"** means the ordinary shares of £0.01 each in the capital of the Company

**"Original Issue Price"** has the meaning given to it in Article 6(A)(2)(a)

**"Preferred Shares"** means the series A preferred shares of £0.01 each in the capital of the Company

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

**"Pro Rata Shares"** means (i) Ordinary Shares issued or issuable upon conversion of the Preferred Shares and (ii) Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the Ordinary Shares referenced in (i) above

**"Proposed Purchaser"** means a proposed purchaser of Ordinary or Preferred Shares.

**"Regulation(s)"** means the appropriately numbered regulation(s) in Table A

**"Series A Directors"** has the meaning given to it in Article 5(b)

**"Shares"** means the Ordinary Shares and Preferred Shares from time to time

**"working day"** has the meaning given in section 1173 of the 2006 Act

**"writing"** means printing, typewriting, lithography, photography and any other mode or modes of representing or reproducing words, symbols or other information in a legible and non-transitory form and **"written"** shall be construed accordingly

**"Table A"** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) as amended by the Companies (Table A to F) (Amendment) Regulations 1985 (SI 1985 No 1052), the Companies Act 1985 (Electronic Communications) Order 2000 (SI 2000 No 3373), the Companies (Table A to F) (Amendment) Regulations 2007 (SI 2007 No 2541) and the Companies (Table A to F) (Amendment) (No 2) Regulations 2007 (SI 2007 No 2826).

### ***Interpretation***

- 2.2 Unless the context otherwise requires (or unless otherwise defined or stated in these Articles), words or expressions defined in Table A shall have the same meaning in these Articles. Any other words and expressions contained in these Articles and/or in Table A shall have the same meaning as in the Acts
- 2.3 Save as provided to the contrary in these Articles, any reference in these Articles to the 1985 Act (or a particular provision of it) shall be deemed to include a reference to any statutory modification, re-enactment or re-statement of it from time to time in force,

including (but not limited to) any modification, re-enactment or re-statement as provided by the 2006 Act (subject always to any transitional provisions and savings in force from time to time made pursuant to section 1296 of the 2006 Act which shall (unless these Articles lawfully provide, or the Board lawfully determines, otherwise) apply)

2 4 References in these Articles to a document or information being sent or supplied by or to a company (including the Company) shall be construed in accordance with the provisions of section 1148(3) of the 2006 Act and any reference to "sent" or "supplied" (or other similar term) shall be construed in accordance with the provisions of section 1148(2) of the 2006 Act

2 5 References in these Articles to a section or sub-section refer to a section or sub-section of that Article

### 3 **Share capital**

The authorised share capital of the Company at the date of adoption of these Articles is

3 1 £100,000 divided into 10,000,000 ordinary shares of £0 01 each ("**Ordinary Shares**"), and

3 2 £32,000 divided into 3,200,000 series A preferred shares of £0 01 each ("**Preferred Shares**")

### 4 **Shares**

#### *Authority to allot and exclusion of statutory pre-emption provisions*

4 1 Pursuant to Section 91 of the 1985 Act, sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of the 1985 Act shall be excluded from applying to the Company

4.2 Subject to the remaining provisions of this Article 4, the Directors are generally and unconditionally authorised for the purpose of section 80 of the 1985 Act to exercise any power of the Company to.

- (a) offer, allot or grant rights to subscribe for, or
- (b) convert securities into, or
- (c) otherwise deal in, or dispose of,

any Shares or any other relevant securities in the Company to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that

- (a) this authority shall be limited to a maximum nominal amount of Shares equal to the amount of the authorised but unissued share capital of the Company immediately following the Date of Adoption,
- (b) this authority shall only apply insofar as the Company in general meeting has not waived or revoked it,
- (c) this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).

4.3 Unless otherwise agreed by special resolution or by written resolution passed in accordance with the Acts, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to the Preferred Shareholders in accordance with the following provisions

- (a) The Company shall deliver a written notice (a "**Pre-emption Notice**") to the Preferred Shareholders stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered and (iii) the price and terms upon which it proposes to offer such New Securities
- (b) By written notification received by the Company within twenty (20) calendar days after the giving of such Pre-emption Notice, each Preferred Shareholder may elect to subscribe for, at the price and on the terms specified in such notice, up to that portion of such New Securities that equals the proportion that the number of Pro Rata Shares held by such Preferred Shareholder bears to the total number of Ordinary Shares then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding).
- (c) The Company shall promptly, in writing, inform each Preferred Shareholder that elects to subscribe for all the New Securities available to it (a "**Fully Exercising Preferred Shareholder**") of any other Preferred Shareholder's failure to do likewise. During the ten (10) day period commencing after such information is given, each Fully Exercising Preferred Shareholder may elect to subscribe for that portion of the New Securities for which Preferred Shareholders were entitled to subscribe, but which were not subscribed for by the Preferred Shareholders, that is equal to the proportion that the number of Pro Rata Shares held by such Fully Exercising Preferred Shareholder bears to the total number of Ordinary Shares issued and held, or issuable upon conversion of the Preferred Shares then held by all Fully Exercising Preferred Shareholders who wish to subscribe for some of the unsubscribed New Securities
- (d) If all New Securities that Preferred Shareholders are entitled to subscribe for pursuant to Article 4.3(c) are not elected to be subscribed for as provided in Article 4.3(c), the Company may, during the ninety (90) day period following the expiration of the period provided in Article 4.3(c), offer the remaining unsubscribed portion of such New Securities to any person or persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Pre-emption Notice. If the Company does not enter into an agreement for the allotment of the New Securities within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Preferred Shareholders in accordance herewith
- (e) The rights provided in this Article 4.3 may not be assigned or transferred by any Preferred Shareholder, provided, however, that a Preferred Shareholder that is a venture capital fund may assign or transfer such rights to an affiliated venture capital fund



- (f) This Article 4.3 shall terminate and be of no further force or effect upon the consummation of (i) a Qualified Public Offering (as defined below) or (ii) a Liquidation Event (as defined below)
- 4.4 Subject to Article 4.3 and to the provisions of section 80 of the 1985 Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper, provided that the allotment to that person must be approved in writing by the Preferred Shareholders.
- 4.5 The provisions of Articles 4.1 to 4.4 shall not apply to
- (a) Ordinary Shares (or options therefor) issued to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to equity incentive plans approved by the Board (including the Series A Directors),
  - (b) New Securities issued pursuant to the conversion or exercise of convertible or exercisable securities outstanding as of the date any Preferred Shares are first issued,
  - (c) New Securities issued in connection with a bona fide business acquisition of or by the Company, whether by merger, consolidation, sale of assets, sale or exchange of shares or otherwise, that has been approved by the Board (including the Series A Directors),
  - (d) New Securities issued to persons or entities with which the Company has business relationships, provided such issuance is primarily for non-equity financing purposes and has been approved by the Board (including the Series A Directors); and
  - (e) New Securities issued pursuant to any equipment leasing arrangement or debt financing from a bank or similar institution, provided such financing is primarily for non-equity financing purposes and has been approved by the Board (including the Series A Directors)

## 5 Drag-Along

- 5.1 If the holders of a majority of each of (a) the outstanding Ordinary Shares and Preferred Shares (voting or acting together as a single class on an as-converted basis) and (b) the outstanding Preferred Shares ((a) and (b) are collectively referred to herein as the "**Selling Shareholders**") approve either (i) an acquisition of the Company by a Proposed Purchaser by means of any transaction or series of related transactions (including, without limitation, any reorganisation, merger or consolidation) that would result in the transfer of fifty percent (50%) or more of the outstanding voting power of the Company or in which the shareholders of the Company immediately prior to such transaction would own, as a result of such transaction, less than a majority of the voting securities, in the same relative proportions, of the successor or surviving corporation immediately thereafter or (ii) a sale of all or substantially all of the assets of the Company (such events being a "**Sale of the Company**"), then the Selling Shareholders shall have the option (the "**Drag Along Option**") to require all the other holders of Shares (the "**Called Shareholders**") to sell and transfer all their Shares in connection with the Sale of the Company in accordance with the provisions of this Article

- 5.2 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 Sale of the Company. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Shares (the "**Called Shares**") under 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.
- 5.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a Sale of the Company 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.
- 5.4 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 in connection with the Sale of the Company were distributed to the shareholders of the Company in accordance with the provisions of Article 6(A)(2).
- 5.5 No Drag Along Notice may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.
- 5.6 Within five Business Days of the Proposed Purchaser serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for their Shares in favour of the Proposed Purchaser or as the Proposed Purchaser shall direct, together with the relevant share certificate(s) (or a suitable indemnity in lieu thereof) to the Company. The Company's receipt for the price shall be a good discharge to the Purchaser. The Company shall hold the amounts received by it due to the Called Shareholders pursuant to Article 5.4 in trust for the Called Shareholders without any obligation to pay interest.
- 5.7 If a Called Shareholder fails to deliver stock transfer forms and share certificates (or suitable indemnity) for its Shares to the Company upon the expiration of that five Business Day period, the Directors shall, if requested by the Proposed Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Proposed Purchaser (or its nominee(s)). The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or provide a suitable indemnity) to the Company. On surrender, he shall be entitled to the amount due to him under Article 5.4.
- 5.8 On any person, following the issue of a Drag Along Notice, becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "**New Shareholder**"), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## 6 Rights Attaching to Shares.

A Rights, Preferences and Restrictions of Preferred Shares The rights, preferences, privileges and restrictions granted to and imposed on the Preferred Shares are as set forth below in this Article 6 (A) and any payments or distributions to be made to the holders of Preferred Shares under this Article shall be in Pounds Sterling (£)

### 1 Dividend Provisions

- (a) The holders of Preferred Shares shall be entitled to receive dividends, out of any distributable reserves legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Ordinary Shares or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional Ordinary Shares) on the Ordinary Shares, at the applicable Dividend Rate (as defined below), payable when, as and if declared by the Board of Directors. Such dividends shall not be cumulative. The holders of the outstanding Preferred Shares can waive any dividend preference that such holders shall be entitled to receive under this Section 1 upon the affirmative vote or written consent of the holders of a majority of the Preferred Shares then outstanding (voting together as a single class and not as separate series, and on an as-converted basis). For purposes of this subsection 1(a), “**Dividend Rate**” shall mean £0.10 per annum for each Preferred Share (as adjusted for any share splits, share dividends, consolidations, subdivisions, recapitalizations or the like).
- (b) After payment of such dividends, any additional dividends or distributions shall be distributed among all holders of Ordinary Shares and Preferred Shares in proportion to the number of Ordinary Shares that would be held by each such holder if all Preferred Shares were converted to Ordinary Shares at the then effective Conversion Rate (as defined below).

### 2 Liquidation Preference.

- (a) In the event of any Liquidation Event (as defined below), either voluntary or involuntary, the holders of each series of Preferred Shares shall be entitled to receive, prior and in preference to any distribution of the proceeds of such Liquidation Event (the “**Proceeds**”) to the holders of Ordinary Shares by reason of their ownership thereof, an amount per share equal to the sum of the applicable Original Issue Price (as defined below) for such series of Preferred Shares, plus declared but unpaid dividends on such share. If, upon the occurrence of such event, the Proceeds thus distributed among the holders of the Preferred Shares shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then the entire Proceeds legally available for distribution shall be distributed ratably among the holders of the Preferred Shares in proportion to the full preferential amount that each such holder is otherwise entitled to receive under this subsection (a). For purposes of these Articles, “**Original Issue Price**” shall mean £1.25 per share for each Preferred Share (as adjusted for any share splits, share dividends,

consolidations, subdivisions, recapitalizations or the like with respect to such series of Preferred Shares)

- (b) Upon the completion of the distribution required by subsection (a) of this Section 2, if Proceeds remain, each holder of Ordinary Shares issued and outstanding as of December 31, 2007 (the "**Issuance Date**") shall receive an amount per share equal to the original issue price paid to the Company for such Ordinary Shares (as adjusted for any share splits, share dividends, consolidations, subdivisions, recapitalizations or the like with respect to such Ordinary Shares) If the remaining Proceeds shall be insufficient to permit the payment to the holders of such Ordinary Shares of the full preferential amounts set forth in this subsection (b), then the entire remaining Proceeds legally available for distribution shall be distributed ratably among the holders of such Ordinary Shares in proportion to the full preferential amount that each such holder is otherwise entitled to receive
- (c) Upon completion of the distribution required by subsections (a) and (b) of this Section 2, all of the remaining Proceeds shall be distributed among the holders of Preferred Shares and Ordinary Shares pro rata based on the number of Ordinary Shares held by each (assuming full conversion of all such Preferred Shares)
- (d) (i) For purposes of this Section 2, a "**Liquidation Event**" shall include (A) the closing of the sale, transfer or other disposition of all or substantially all of the Company's assets, (B) the consummation of the merger or consolidation of the Company with or into another entity (except a merger, reorganisation or consolidation in which the holders of capital of the Company immediately prior to such merger, reorganisation or consolidation continue to hold at least 50% of the voting power of the capital of the Company or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, reorganisation, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Company's shares or securities), of the Company's shares or securities if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting capital of the Company (or the surviving or acquiring entity), (D) a liquidation, dissolution or winding up of the Company or (E) the sale or grant of an exclusive, irrevocable license of all or substantially all of the Company's intellectual property rights to a third party, provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's shares or securities immediately prior to such transaction Notwithstanding the prior sentence, none of the following shall be deemed a "Liquidation Event" for the purposes of this Section 2: (i) the issue of Preferred Shares in a financing transaction or (ii) transfers of the Company's shares or securities by a shareholder to any spouse, civil partner and any other person (whether of a different sex or same sex) with whom the shareholder lives as partner or member of such shareholder's immediate family, or to a custodian,

trustee (including a trustee of a voting trust), executor, or other fiduciary for the account of such shareholder's spouse, civil partner and any other person (whether of a different sex or same sex) with whom the shareholder lives as partner or members of such shareholder's immediate family, or to a trust for such shareholder's own self, or a charitable remainder trust or (iii) the issue or transfer of the Company's shares pursuant to equity incentive plans approved by the Board of Directors (including the Series A Directors) The treatment of any particular transaction or series of related transactions as a Liquidation Event may be waived by the vote or written consent of the holders of a majority of the outstanding Preferred Shares (voting together as a single class and not as separate series, and on an as-converted basis)

(ii) In any Liquidation Event, if Proceeds received by the Company or its shareholders is other than cash, its value will be deemed its fair market value Any securities or shares shall be valued as follows

(A) Securities or shares not subject to investment letter or other similar restrictions on free marketability covered by (B) below

- (i) If traded on a share exchange, the value shall be deemed to be the average of the closing prices of the shares or securities on such exchange or system over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event,
- (ii) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the twenty (20) trading-day period ending three (3) trading days prior to the closing of the Liquidation Event, and
- (iii) If there is no active public market, the value shall be the fair market value thereof, as mutually determined in good faith by a majority of the Board of Directors (including at least one director elected by the holders of outstanding Ordinary Shares) and the holders of a majority of the voting power of all then outstanding Preferred Shares (or if the majority of the Board of Directors and the holders of a majority of the voting power of all then outstanding Preferred Shares cannot so mutually determine, then each shall select an investment bank of recognized international standing and such investment banks shall select a third investment bank of recognised international standing to determine such fair

market value) The costs of determining such fair market value shall be borne by the Company

- (B) The method of valuation of securities or shares subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (A) (1), (2) or (3) to reflect the approximate fair market value thereof, as mutually determined by a majority of the Board of Directors (including at least one director elected by the holders of outstanding Ordinary Shares) and the holders of a majority of the voting power of all then outstanding Preferred Shares
  - (C) The foregoing methods for valuing non-cash consideration to be distributed in connection with a Liquidation Event shall, upon approval by the shareholders of the definitive agreements governing a Liquidation Event, be superseded by any determination of such value set forth in the definitive agreements governing such Liquidation Event.
- (iii) In the event the requirements of this Section 2 are not complied with, the Company shall forthwith either
- (A) cause the closing of such Liquidation Event to be postponed until such time as the requirements of this Section 2 have been complied with, or
  - (B) cancel such transaction, in which event the rights, preferences and privileges of the holders of the Preferred Shares shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in subsection 2(d)(iv) hereof
- (iv) The Company shall give each holder of record of Preferred Shares written notice of such impending Liquidation Event not later than twenty (20) days prior to the shareholders meeting (if any) called to approve such transaction, or twenty (20) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the impending transaction and the provisions of this Section 2, and the Company shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than twenty (20) days after the Company has given the first notice provided for herein or sooner than ten (10) days after the Company has given notice of any material changes provided for herein, provided, however, that subject to compliance with applicable law such periods may be shortened or waived upon the written consent of the holders of Preferred Shares that represent a majority of the voting power of all then outstanding Preferred Shares (voting together as a single class and not as separate series, and on an as-converted basis)

- 3        Redemption    The Preferred Shares are not redeemable at the option of the holder
- 4        Conversion    The holders of Preferred Shares shall have conversion rights as follows (the “**Conversion Rights**”):
- (a)      Right to Convert    Each Preferred Share shall be convertible, at the option of the holder thereof and by written notice to the Company or its registered office, at any time after the date of issuance of such share at the office of the Company, into such number of fully paid Ordinary Shares as is determined by dividing the applicable Original Issue Price for such series by the applicable Conversion Price for such series (the conversion rate for a series of Preferred Shares into Ordinary Shares is referred to herein as the “**Conversion Rate**” for such series), determined as hereafter provided, in effect on the date of the relevant notice. The initial Conversion Price per share for each series of Preferred Shares shall be the Original Issue Price applicable to such series and accordingly the initial Conversion Rate shall be one to one (1:1), provided, however, that the Conversion Price for the Preferred Shares shall be subject to adjustment as set forth in subsection 4(d)
- (b)      Automatic Conversion    Each Preferred Share shall automatically be converted into Ordinary Shares at the Conversion Rate at the time in effect for such series of Preferred Shares immediately upon the earlier of (i) the Company’s sale of its Ordinary Shares in a firm commitment underwritten public offering where (A) the public offering price per share corresponds to a pre-public offering valuation of the Company of at least £50,000,000 and (B) the aggregate proceeds (net of underwriter discounts and commissions) are in excess of £25,000,000 (a “**Qualified Public Offering**”) or (ii) the date specified by written consent or agreement of the holders of a majority of the then outstanding Preferred Shares (voting together as a single class and not as separate series, and on an as-converted basis)
- (c)      Mechanics of Conversion    Before any holder of Preferred Shares shall be entitled to voluntarily convert the same into Ordinary Shares, he or she shall surrender the certificate or certificates therefor, duly endorsed, at the registered office of the Company or of any transfer agent for the Preferred Shares, and shall give written notice to the Company at its registered office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Ordinary Shares are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business in the United Kingdom on the date of such surrender of the Preferred Shares to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date. If the conversion is in connection with the closing of a Qualified Public Offering, the conversion may, at the option of

any holder tendering Preferred Shares for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the persons entitled to receive the Ordinary Shares upon conversion of the Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such sale of securities. If the conversion is in connection with Automatic Conversion provisions of subsection 4(b)(11) above, such conversion shall be deemed to have been made on the conversion date described in the shareholder consent approving such conversion, and the persons entitled to receive Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holders of such Ordinary Shares as of such date. On the date of conversion the Preferred Shares to be converted shall be automatically converted and redesignated as Ordinary Shares and any additional Ordinary Shares required to be issued to effect the conversion at the applicable Conversion Rate shall be paid up by the automatic capitalization of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the Board of Directors and those additional Ordinary Shares shall be made by way of bonus issue and issued at par fully paid. The capitalization shall be automatic and shall not require any action on the part of the shareholders and the Board of the Directors shall allot the Ordinary Shares arising on capitalization to the persons entitled to them in accordance with this Article. If the Company is not legally permitted to carry out the capitalization the persons entitled to be issued the additional Ordinary Shares shall be entitled to subscribe in cash at par for that number of additional Ordinary Shares as would otherwise have been issued pursuant to this provision.

(d) Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Consolidations. The Conversion Price of the Preferred Stock shall be subject to adjustment from time to time as follows:

(1) (A) If the Company shall issue any Additional Shares (as defined below) without consideration or for a consideration per share less than the Conversion Price applicable to a series of Preferred Shares in effect immediately prior to the issuance of such Additional Shares, the Conversion Price for such series in effect immediately prior to each such issuance shall forthwith (except as otherwise provided in this clause (1)) be adjusted to a price determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of Ordinary Shares Outstanding (as defined below) immediately prior to such issuance plus the number of Ordinary Shares that the aggregate consideration received by the Company for such issuance would purchase at such Conversion Price, and the denominator of which shall be the number of Ordinary Shares Outstanding (as defined below) immediately prior to such issuance plus the number of such Additional Shares. For purposes of this Section 4(d)(1)(A), the term "Ordinary Shares Outstanding" shall mean and include the following: (1) outstanding Ordinary Shares, (2) Ordinary Shares issuable upon conversion of outstanding Preferred Shares, (3) Ordinary Shares issuable upon exercise of outstanding share options and (4) Ordinary Shares issuable upon exercise (and, in the case of warrants to purchase Preferred Shares, conversion) of outstanding warrants. Shares



described in (1) through (4) above shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable

(B) No adjustment of the Conversion Price for the Preferred Shares shall be made in an amount less than one penny per share, provided that any adjustments that are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three (3) years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three (3) years from the date of the event giving rise to the adjustment being carried forward. Except to the limited extent provided for in subsections (E)(3) and (E)(4), no adjustment of such Conversion Price pursuant to this subsection 4(d)(1) shall have the effect of increasing the Conversion Price above the Conversion Price in effect immediately prior to such adjustment

(C) In the case of the issuance of Additional Shares for cash, the consideration shall be deemed to be the amount of cash paid therefor after deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with the issuance and sale thereof.

(D) In the case of the issuance of the Additional Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors irrespective of any accounting treatment

(E) In the case of the issuance of options to purchase or rights to subscribe for Ordinary Shares, securities by their terms convertible into or exchangeable for Ordinary Shares or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for purposes of determining the number of Additional Shares issued and the consideration paid therefor

- (1) The aggregate maximum number of Ordinary Shares deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Ordinary Shares shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subsections 4(d)(1)(C) and (d)(1)(D)), if any, received by the Company upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without

taking into account potential antidilution adjustments) for the Ordinary Shares covered thereby

- (ii) The aggregate maximum number of Ordinary Shares deliverable upon conversion of, or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for, any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Company for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Company (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections 4(d)(1)(C) and (d)(1)(D)).
- (iii) In the event of any change in the number of Ordinary Shares deliverable or in the consideration payable to the Company upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, the Conversion Price of the Preferred Shares, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Ordinary Shares or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities
- (iv) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or

rights related to such convertible or exchangeable securities, the Conversion Price of the Preferred Shares, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of Ordinary Shares (and convertible or exchangeable securities that remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities

- (v) The number of Additional Shares deemed issued and the consideration deemed paid therefor pursuant to subsections 4(d)(1)(E)(1) and (2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either subsection 4(d)(1)(E)(3) or (4)

(11) **“Additional Shares”** shall mean any Ordinary Shares issued (or deemed to have been issued pursuant to subsection 4(d)(1)(E)) by the Company on or after the Issuance Date other than.

- (A) Ordinary Shares issued pursuant to a transaction described in subsection 4(d)(iii) hereof,
- (B) Up to 1,477,200 Ordinary Shares issued or sold to employees, officers, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to equity incentive plans approved by the Board of Directors (including the Series A Directors),
- (C) Ordinary Shares issued pursuant to the conversion or exercise of convertible or exercisable securities outstanding on the Issuance Date,
- (D) Ordinary Shares issued in connection with a bona fide business acquisition of or by the Company, whether by merger, reorganisation, consolidation, sale of assets, sale or exchange of stock or otherwise, that has been approved by the Board of Directors (including the Series A Directors),
- (E) Ordinary Shares issued or deemed issued pursuant to subsection 4(d)(1)(E) as a result of a decrease in the Conversion Price of any series of Preferred Shares resulting from the operation of Section 4(d),
- (F) Ordinary Shares issued to persons or entities with which the Company has business relationships, provided such issuance is primarily for non-

equity financing purposes and has been approved by the Board of Directors (including the Series A Directors), or

- (G) Ordinary Shares issued pursuant to any equipment leasing arrangement or debt financing from a bank or similar institution, provided such financing is primarily for non-equity financing purposes and has been approved by the Board of Directors (including the Series A Directors)
  - (iii) In the event the Company should at any time or from time to time after the Issuance Date effect a split or subdivision of the outstanding Ordinary Shares or the determination of holders of Ordinary Shares entitled to receive a dividend or other distribution payable in additional Ordinary Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Ordinary Shares (hereinafter referred to as “**Ordinary Share Equivalents**”) without payment of any consideration by such holder for the additional Ordinary Shares or the Ordinary Share Equivalents (including the additional Ordinary Shares issuable upon conversion or exercise thereof), then, as of the date of such dividend distribution, split or subdivision, the Conversion Price of the Preferred Shares shall be appropriately decreased so that the number of Ordinary Shares issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of Ordinary Shares outstanding and those issuable with respect to such Ordinary Share Equivalents with the number of shares issuable with respect to Ordinary Share Equivalents determined from time to time in the manner provided for deemed issuances in subsection 4(d)(i)(E).
  - (iv) If the number of Ordinary Shares outstanding at any time after the Issuance Date is decreased by a combination of the outstanding Ordinary Shares, then, following the date of such combination, the Conversion Price for the Preferred Shares shall be appropriately increased so that the number of Ordinary Shares issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares
- (e) Other Distributions In the event the Company shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection 4(d)(iii), then, in each such case for the purpose of this subsection 4(e), the holders of the Preferred Shares shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of Ordinary Shares of the Company into which their Preferred Shares are convertible as of the date fixed for the determination of the holders of Ordinary Shares of the Company entitled to receive such distribution.
- (f) Recapitalizations If at any time or from time to time there shall be a recapitalization or reorganisation of the Ordinary Shares (other than a

subdivision, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or in Section 2) provision shall be made so that the holders of the Preferred Shares shall thereafter be entitled to receive upon conversion of the Preferred Shares the number of shares or other securities or property of the Company or otherwise, to which a holder of Ordinary Shares deliverable upon conversion would have been entitled on such recapitalization or reorganisation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Shares after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of the Preferred Shares) shall be applicable after that event as nearly equivalently as may be practicable.

(g) No Fractional Shares and Certificate as to Adjustments

(i) No fractional shares shall be issued upon the conversion of any Preferred Share and the aggregate number of Ordinary Shares to be issued to particular shareholders, shall be rounded down to the nearest whole share and the Company shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of Preferred Shares the holder is at the time converting into Ordinary Shares and the number of Ordinary Shares issuable upon such conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Preferred Shares pursuant to this Section 4, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for such series of Preferred Shares at the time in effect, and (C) the number of Ordinary Shares and the amount, if any, of other property that at the time would be received upon the conversion of a Preferred Share.

(h) Reservation of Shares Issuable Upon Conversion The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Share capital, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares, and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such

purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to these Articles

- (i) Notices Any notice required by the provisions of this Section 4 to be given to the holders of Preferred Shares (i) shall be deemed given if delivered personally, sent via internationally recognized overnight courier service, via facsimile or deposited in the mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Company and (ii) may be waived by holders of a majority of the then outstanding Preferred Shares (voting together as a single class and not as separate series, and on an as-converted basis)
- (j) Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preferred Shares may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of a majority of the outstanding Preferred Shares. Any such waiver shall bind all future holders of such series of Preferred Shares

## 5 Voting Rights

- (a) General Voting Rights Each holder of Preferred Shares shall have the right to one vote for each Ordinary Share into which such Preferred Shares could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Ordinary Shares, and shall be entitled, notwithstanding any provision hereof shall be entitled to vote, together with holders of Ordinary Shares, with respect to any question upon which holders of Ordinary Shares have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which Preferred Shares held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward)
- (b) Voting for the Election of Directors As long as any Preferred Shares are outstanding, the holders of such Preferred Shares shall be entitled to elect two (2) directors of the Company (each, a “**Series A Director**”) and to remove the same and reappoint others in their place, in each case by written notice to the Company. The holders of outstanding Ordinary Shares shall be entitled to elect two (2) directors of the Company, provided, however, that at any time after the Board of Directors, including the Series A Directors, approves the hiring of a new chief executive officer, the holders of outstanding Ordinary Shares shall be entitled to elect three (3) directors of the Company. The holders of Preferred Shares and Ordinary Shares (voting together as a single class and not as separate series, and on an as-converted basis) shall be entitled to elect any remaining directors of the Company

Notwithstanding the foregoing, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of these Articles, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in

office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced, provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of shares, the holders of such class or series of shares may override the Board of Director's action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Company's shareholders or (ii) written consent, if the consenting shareholders hold a sufficient number of shares to elect their designee at a meeting of the shareholders. Any director may be removed during his or her term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the class or series of shares entitled to elect such director or directors, given either at an extraordinary meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders, and any vacancy thereby created may be filled by a majority of the holders of that class or series of shares represented at the meeting or pursuant to written consent.

## 6 Protective Provisions

- (a) So long as any Preferred Shares are outstanding, the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding Preferred Shares
- (i) authorize or issue, or obligate itself to issue, any security (including any other security convertible into or exercisable for any such security) pari passu with or senior to the Preferred Shares, other than the issuance of any authorized but unissued Preferred Shares designated in these Articles (including any security convertible into or exercisable for such Preferred Shares),
  - (ii) pay or declare payment of any dividend or other distribution on any share capital of the Company,
  - (iii) consummate a Liquidation Event unless, in the instance of Article 6 (A)(2)(d)(i)(D), an independent insolvency practitioner has advised the Board of Directors to liquidate, dissolve, wind up the Company or enter into any form of insolvency procedure,
  - (iv) alter or change the rights, preferences or privileges of the Preferred Shares,
  - (v) increase or decrease (other than by conversion or as required by Article 6 (A)(4)(h)) (i) the total number of authorized Preferred Shares or Ordinary Shares or (ii) the number of shares reserved for issuance under any share option, share purchase, equity incentive or comparable scheme or plan of the Company,
  - (vi) issue, or obligate itself to issue, more than 1,477,200 Ordinary Shares to employees, officers, directors, consultants and other service

providers upon the exercise of options granted by the Company under any share option, share purchase, equity incentive or comparable scheme or plan of the Company;

- (vii) redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any Preferred Shares or Ordinary Shares, provided, however, that this restriction shall not (A) apply to the repurchase of Ordinary Shares from employees, officers, directors, consultants or other persons performing services for the Company or any of its subsidiaries pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal or (B) prevent or otherwise restrict the Board of Directors from approving any transfer or transfers of Ordinary Shares to employee benefit trusts or similar arrangements in connection with equity incentive schemes approved by the holders of a majority of Preferred Shares for the benefit of the Company's employees, officers or consultants,
  - (viii) amend, revise or repeal these Articles or other organizational documents,
  - (ix) increase or decrease the authorised number of directors of the Company, or
  - (x) consummate a public offering or apply for the listing of any of the Company's securities on a securities exchange (including the selection of (A) the jurisdiction in which to apply for listing and (B) the market or exchange on which to so list)
- (b) So long as any Preferred Shares are outstanding, the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval (by vote or written consent, as provided by law) of (i) the holders of a majority of the then outstanding Preferred Shares or (ii) the Series A Directors
- (i) other than in the ordinary course of business, take any action that results in (A) incurring or assuming indebtedness greater than £50,000 individually or in the aggregate, or (B) providing a guarantee, pledge or other form of security for such indebtedness,
  - (ii) make any fundamental change in the nature, or consummate a transaction (including but not limited to the assignment, license or sale of intellectual property rights) outside of the ordinary course, of the Company's business as conducted on the Issuance Date;
  - (iii) make any loan to, or repay or guarantee any obligation owed by or to, any third party, including but not limited to making any loans to, or repaying or guaranteeing any obligation owed by or to, any of the Company's officers, directors, employees or shareholders, other than reimbursements for travel, relocation (incurred in good faith in



connection with the recruitment of such person), entertainment and other similar expenses in the ordinary course of business and other than similar expenses which are greater than £12,500 individually or £50,000 in the aggregate,

- (iv) incur any capital expenditure on any one item or series of related items in excess of £50,000 in any twelve (12) month period, other than in the ordinary course of business,
- (v) hire, or increase by more than ten percent (10%) the compensation of, any director, Chief Executive Officer, Chief Financial Officer or other executive director officer or Vice President (or equivalent) of the Company,
- (vi) authorize or declare any bonus payments to an officer, director, consultant, shareholder, investor or any other person or entity affiliated with the Company,
- (vii) enter into or amend any services contract or agreement to which the Company and any of the members of its Board of Directors are a party;
- (viii) enter into a joint venture, partnership or similar arrangement;
- (ix) engage the services of investment bankers in connection with a Liquidation Event (otherwise than envisaged in Article 6(A)(2)(d)(ii)(A)(iii)) or a public offering or private placement of the Company's securities;
- (x) amend, modify, terminate, waive or otherwise alter, in any material respect, any agreement between the Company and an officer of the Company,
- (xi) take any action which causes the Company to be noncompliant with all applicable laws, rules, regulations and orders, noncompliance with which could reasonably be expected to have a material adverse effect on the business, properties, operation or financial condition of the Company, or
- (xii) enter into any arrangement with any employee of the Company that requires more than three (3) months notice in connection with a termination of such employee's service to the Company

Notwithstanding the foregoing, the Company may take any of the actions listed in immediately above in this Article 6 (A)(6)(b), provided that the consequences of such actions were contemplated by and included in the Company's annual operating or financial budget previously approved by the Series A Directors

- 7     Status of Converted Shares. In the event any Preferred Shares shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by the Company. These Articles shall be appropriately amended to effect the corresponding reduction in the Company's authorized share capital.

B     Ordinary Shares The rights, preferences, privileges and restrictions granted to and imposed on the Ordinary Shares are as set forth below in this Article 6 (B)

- 1     Dividend Rights Subject to the prior rights of holders of all classes of shares at the time outstanding having prior rights as to dividends, the holders of the Ordinary Shares shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Company legally available therefor, any dividends as may be declared from time to time by the Board of Directors
- 2     Liquidation Rights Upon the liquidation, dissolution or winding up of the Company, the assets of the Company shall be distributed as provided in Section 2 of Article 6 (A) hereof
- 3     Redemption The Ordinary Shares are not redeemable at the option of the holder
- 4     Voting Rights The holder of each Ordinary Share shall have the right to one vote for each such share on a poll, and shall be entitled to notice of any shareholders' meeting in accordance herewith, and shall be entitled to vote upon such matters and in such manner as may be provided by law and these Articles. Subject to Article 6(A)(6), the number of authorized Ordinary Shares may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the shares of the Company entitled to vote, irrespective of any statutory rights to the contrary

7     **Lien**

The lien conferred by Regulation 8 shall also attach to fully paid shares and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, registered in the name of any person, whether he is the sole registered holder of them or one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Regulation 8 is modified accordingly

8     **Forfeiture**

The liability of any member in default of payment of a call shall, if the board so determines, include any costs and expenses suffered or incurred by the Company in respect of such non-payment and the powers conferred on the Board by Regulation 18 and the provisions of Regulation 21 are extended accordingly

9     **Transmission of shares**

The Board may at any time give notice requiring any person entitled to a share by reason of the death or bankruptcy of the holder of it to elect either to be registered himself in respect of the share or to transfer the share and if the notice is not complied with within 60 days of such notice, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the

requirements of the notice have been complied with Regulation 31 is modified accordingly

## **10 Proceedings at general meetings**

### ***Quorum***

- 10 1 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business (provided that the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting) Whenever the Company has only one member, the member present (being an individual) in person, or (being a corporation) by a duly authorised representative, or by proxy shall be a quorum Subject to the provisions of section 318(2) of the 2006 Act, whenever the Company has two or more members, two persons (one of whom shall be a Preferred Shareholder, whilst Preferred Shares remain outstanding) entitled to vote upon the business to be transacted (each being a member (being an individual) present in person or by proxy, or (being a corporation) present by a duly authorised representative or by proxy, shall be a quorum Regulation 40 shall not apply to the Company
- 10.2 If within half an hour from the time appointed for a general meeting, a quorum is not present, (or if, during the meeting, a quorum ceases to be present) the meeting, if convened upon the requisition of members, shall be dissolved In any other case, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the chairman (or, in default, the Board) may determine If a quorum is not present at any such adjourned meeting within half an hour from the time appointed for that meeting (or if, during the meeting, a quorum ceases to be present), the meeting shall be dissolved Regulation 41 shall not apply to the Company

### ***Right to demand poll***

- 10 3 A poll may be demanded at any general meeting by any member present in person (or, being a corporation, present by a duly authorised representative) or by proxy entitled to vote Regulation 46 shall be modified accordingly

## **11 Proxies**

### ***Proxy appointments***

- 11 1 An instrument appointing a proxy shall
- (a) be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if the appointor is a corporation under its common seal or under the hand of some officer or attorney duly authorised on its behalf) and shall be in any common form or in such other form as the Board may approve,
  - (b) be deemed (subject to any contrary direction contained in the same) to confer authority to demand or join in demanding a poll and to vote (whether on a show of hands or a poll) on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit and to confer the right to speak at the meeting to which it relates (including any adjournment of it);
  - (c) be valid as well for any adjournment of the meeting as for the meeting to which it relates, and

- (d) where it is stated to apply to more than one meeting, be valid for all such meetings as well as for any adjournment of any such meetings

***Deposit of proxy***

- 11 2 Subject to the provisions of the Acts, the appointment of a proxy and the power of attorney or other authority (if any) under which it is signed (or a copy of such authority certified notarially or in some other way approved by the Board) shall be sent or supplied in hard copy form, or (subject to any conditions and limitations which the Board may specify) in electronic form to the registered office of the Company or to such other address (including electronic address) as is specified in the notice convening the meeting or in any instrument of proxy or any invitation to appoint a proxy sent or supplied by the Company in relation to the meeting or as the Board shall otherwise direct, to be received before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll. Any instrument of proxy not so sent or supplied or received shall be invalid unless the Board at any time prior to the meeting or the chairman of the meeting at the meeting, in their or his absolute discretion, accept as valid an instrument of proxy where there has not been compliance with the provisions of this Article and such proxy shall thereupon be valid notwithstanding such default.

***Revocation of proxy***

The validity of a vote given or poll demanded in accordance with the terms of an appointment of a proxy or the validity of anything done by a proxy acting as duly appointed chairman of a meeting, or any decision determining whether a proxy counts in a quorum at a meeting, shall not be affected notwithstanding the death or mental disorder of the appointor or the revocation of the appointment of the proxy (or of the authority under which the appointment of the proxy was executed) or the transfer of the share in respect of which the appointment of the proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been sent or supplied to the Company or any other person as the Company may require in the notice of the meeting, any instrument of proxy sent out by the Company in relation to the meeting or in any invitation to appoint a proxy issued by the Company in relation to the meeting, in any manner permitted for the sending or supplying of appointments of proxy pursuant to these Articles, and received at the registered office of the Company (or such other address (including electronic address) as has been designated for the sending or supplying of appointments of proxy), before the time for the holding of the meeting or adjourned meeting to which it relates or, in the case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the poll

- 11 3 Regulations 60 to 63 (inclusive) shall not apply to the Company.

**12 Resolutions**

A written resolution proposed in accordance with the provisions of Chapter 2 of Part 13 of the 2006 Act shall lapse if it is not passed before the period of 28 days beginning with the circulation date (as such is construed pursuant to section 290 of the 2006 Act)

**13 Number of directors**

The maximum number of directors shall be six and if there is a sole director, he shall have all the powers and be subject to all the provisions conferred on the directors by these Articles and he (or any alternate director appointed by him) shall alone constitute a quorum at any meeting of the directors. Regulations 64, 89 and 90 are modified (and all other provisions of these Articles relating to directors shall be construed) accordingly.

**14. Alternate Directors**

14.1 The appointment of an alternate director shall be valid notwithstanding that he is approved by a resolution of the directors after his appointment as alternate director. Where an alternate director attends a meeting of the directors and no objection is raised at the meeting to his presence then he shall be deemed to have been approved by a resolution of the directors. Regulation 65 is modified accordingly.

14.2 A director who acts as an alternate director for one or more other directors shall be entitled to a separate vote for each appointor, in addition to his own vote. Regulation 88 is modified accordingly.

**15. Delegation of directors' powers**

Any committee of the Board may consist of one or more co-opted persons other than directors of the Company on whom voting rights may be conferred as members of the committee but so that the number of co-opted members shall be less than one-half of the total number of members of the committee and so that no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are directors of the Company. Regulation 72 shall be modified accordingly.

**16 Appointment and retirement of directors**

16.1 Regulation 78 shall apply but with the deletion of the words "and may also determine the rotation in which any additional directors are to retire" and the last sentence of Regulation 84 shall not apply to the Company.

16.2 Subject to Article 6(A)(5)(b), the Board may by majority decision of all the directors remove from office any director appointed under Regulation 79 unless his appointment was made more than 2 years before such decision or unless his appointment has been approved by resolution of the shareholders. Regulation 79 is modified accordingly.

**17 Remuneration of Directors and Director's expenses**

17.1 The directors shall be entitled to such remuneration (if any) by way of fee as shall from time to time be determined by the Company in general meeting. Unless and until so determined, remuneration shall be at such rate (not exceeding £150,000) per annum for each director and shall take such form for each director, as the Board may from time to time determine. Such remuneration shall be deemed to accrue from day to day.

17.2 An alternate director may be paid by the Company such part (if any) of the remuneration by way of fee otherwise payable to his appointor as his appointor may by notice in writing to the Company from time to time direct. An alternate director shall not be entitled to vote on any resolution relating to the remuneration of an alternate director (whether himself or others).

17.3 A director (including an alternate director) shall also be entitled to be paid all travelling, hotel and other expenses reasonably and properly incurred in attending and returning from meetings of the shareholders of the Company, board meetings or board committee meetings or otherwise reasonably and properly incurred in connection with the business of the Company or in the proper discharge of his duties as a director (or alternate director) of the Company

17.4 Any director who, by request, performs special services or goes or resides abroad for any purpose of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a director of the Company shall receive such extra remuneration of such amount and payable in such form as the Board may determine, which shall be charged as part of the Company's ordinary working expenses

17.5 The end of the first sentence of Regulation 66 is modified accordingly and Regulations 82 and 83 shall not apply to the Company

## **18 Proceedings of directors**

18.1 The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two (one of whom must be a Series A Director) Regulation 89 is modified accordingly. Board meetings shall be held at least six times a year at with at most two monthly intervals

18.2 Any director (including and alternate director) may participate in a meeting of the directors (or a committee of the directors of which he is a member) by telephone, video conference or other audio or audio-visual link or any other form of telecommunication provided all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and the Companies Acts, he shall be entitled to vote and be counted in the quorum accordingly. A meeting held in this manner shall be deemed to be validly held and shall be deemed to take place where the largest group of participants is physically assembled, or if there is no such group, where the chairman is physically present The directors not present at the place at which the meeting is deemed to be held shall nevertheless be marked as present for the purposes of any minutes of the meeting

18.3 A director may vote at any meeting of the directors or a committee of the directors of which he is a member on any resolution, and a director may participate in the transaction of the business of the directors and count in the quorum at any such meeting of the directors or a committee of the directors of which he is a member notwithstanding that it concerns or relates in any way to a matter in which he has directly or indirectly any kind of interest or duty This Article does not affect any obligation of a director to comply with section 317 of the 1985 Act and Regulations 85 and 86 regarding disclosure of interests Regulations 94 to 97 (inclusive) shall not apply to the Company

18.4 The provisions of section 239 of the 2006 Act shall apply to the Company, provided that a reference to a resolution of the members of the Company in that section shall be deemed to be a reference to a special resolution of such members

## **19. Company communications**

### ***Method of communication***

- 19 1 Any document or information required or authorised to be sent or supplied by the Company to any member or any other person pursuant to these Articles, the Companies Acts or any other rules or regulations to which the Company may be subject, may be sent or supplied in hard copy form, in electronic form, by means of a website or in any other way in which documents or information may be sent or supplied by the Company pursuant to the Companies Acts. The provisions of the 2006 Act which apply to sending or supplying a document or information required or authorised to be sent or supplied by the Companies Acts by making it available on a website shall, mutatis mutandis, apply to the sending or supplying of any document or information required or authorised to be sent by these Articles or any other rules or regulations to which the Company may be subject, by making it available on a website

***Address for service***

- 19 2 The Company may send or supply any document or information to a member either personally, or by post in a prepaid envelope addressed to the member (being a corporation) at his registered address or (being an individual) at his address for service, or by leaving it at that address or any other address for the time being notified to the Company by the member for the purpose, or by sending or supplying it using electronic means to an electronic address for the time being notified to the Company by the member for the purpose, or by any other means authorised in writing by the member concerned. A member whose registered address is not within the United Kingdom and who gives the Company an address within the United Kingdom to which documents or information may be sent or supplied to him or gives an electronic address to which documents or information may be sent or supplied using electronic means, shall be entitled to have documents or information sent or supplied to him at that address, but otherwise no such member shall be entitled to receive any document or information from the Company

***Service on joint holders***

- 19 3 In the case of joint holders of a share, if the Company sends or supplies any document or information to one of the joint holders, it shall be deemed to have properly sent or supplied such document or information to all the joint holders

***Deemed delivery and proof of service***

- 19 4 Any document or information addressed to a member at his registered address or address for service in the United Kingdom shall, if sent by post (whether in hard copy form or in electronic form), be deemed to have been received at the expiration of 24 hours after the envelope was posted and, if sent or supplied by electronic means, be deemed to have been received (if sent or supplied between the hours of 9 a.m. and 5 p.m. on a working day) at the time it was sent, or (if sent or supplied at any other time) at 9 a.m. on the following working day, and, if sent or supplied by means of a website, be deemed to have been received when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website. In calculating a period of hours for the purpose of this Article, no account shall be taken of any part of a day that is not a working day.
- 19 5 In proving such service or delivery it shall be sufficient to prove that the envelope containing the document or information was properly addressed and put into the post as a prepaid letter or, in the case of a document or information sent or supplied by

electronic means, to prove that it was properly addressed Any document or information not sent or supplied by post but delivered or left at a registered address or address for service in the United Kingdom shall be deemed to have been served or delivered on the day on which it was so delivered or left These provisions shall apply regardless of any such documents or information being returned undelivered and regardless of any delivery failure notification or any out of office or other similar response and the Company shall not be held responsible for any failure in transmissions beyond its reasonable control

19 6 Regulations 111, 112 and 115 shall not apply to the Company

## 20 Indemnity, Funding and Insurance

20 1 Subject to (but to the fullest extent permitted by) the provisions of the Companies Acts and without prejudice to any indemnity to which he may otherwise be entitled

(a) any person who is a director of the Company or any associated company (which shall, for the purposes of this Article 20 have the meaning given in section 256 of the 2006 Act) shall be indemnified out of the assets of the Company against all or any part of any costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company or associated company, or incurred by him in connection with the Company's activities as trustee of any occupational pension scheme (which shall, for the purposes of this Article 20 have the meaning given in section 235(6) of the 2006 Act), and

(b) any person who is a director of the Company or any holding company (as such is defined in section 1159 and Schedule 6 of the 2006 Act) shall be provided with funds to meet any expenditure incurred or to be incurred by him as provided in sections 205 and 206 of the 2006 Act (or to enable him to avoid incurring any such expenditure)

20 2 Subject to the provisions of the Companies Acts, the Company may (as the directors shall, in their absolute discretion, determine) purchase and maintain, at the expense of the Company, insurance for any person who is a director of the Company or any associated company in respect of all or any part of any costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution or discharge of his duties or in the actual or purported exercise of his powers in relation to the affairs of the Company, or incurred by him in connection with the Company's activities as trustee of any occupational pension scheme

20 3 Regulation 118 shall not apply to the Company

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Name and address of Subscriber

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For and on behalf of

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Instant Companies Limited  
1 Mitchell Lane  
BRISTOL  
BS1 6BU

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