

**COMPANIES ACT 2006**  
**WRITTEN SPECIAL RESOLUTION**  
**of**  
**INVIEW TECHNOLOGY LIMITED**  
**("Company")**

On the 08 December 2017 the following written special resolution was agreed and passed by the Members:

**SPECIAL RESOLUTION**

**THAT** the Company adopts articles of association (a copy of which is attached to this resolution and marked A for the purposes of identification) in substitution for and to the exclusion of the existing articles of association.

Signed:



**Nick Markham**

**CHAIRMAN**

THURSDAY



\*A6LQ0BLF\*

A16

21/12/2017

#623

COMPANIES HOUSE

**Company Number: 7073184**

---

**PRIVATE COMPANY LIMITED BY SHARES**

---

---

**ARTICLES OF ASSOCIATION**

**of**

**INVIEW TECHNOLOGY LIMITED**

**Incorporated in England and Wales on 11 November 2009  
under the Companies Act 2006**

---

**Adopted under the Companies Act 2006 by written resolution on 21 July 2017 and  
amended by resolution dated 08 December 2017**

## CONTENTS

1.	<b>PRELIMINARY</b>	1
2.	<b>LIABILITY OF MEMBERS</b>	6
3.	DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION	6
4.	DECISION-MAKING BY DIRECTORS	7
5.	DIRECTORS' PERMITTED INTERESTS	12
6.	AUTHORISATION OF CONFLICTS OF INTEREST	16
7.	DIRECTORS' INTERESTS: GENERAL	17
8.	<b>ALTERNATE DIRECTORS</b>	18
9.	NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS	20
10.	DIRECTORS' REMUNERATION AND EXPENSES	22
11.	SHARES: GENERAL	23
12.	SHARES: TRANSFER	24
13.	SHARES: TRANSMISSION	35
14.	DIVIDENDS AND OTHER DISTRIBUTIONS	35
15.	<b>COMPANY'S LIEN</b>	37
16.	<b>ENFORCEMENT OF THE COMPANY'S LIEN</b>	38
17.	CAPITALISATION OF PROFITS	43
18.	DECISION-MAKING BY SHAREHOLDERS: ORGANISATION OF GENERAL MEETINGS	44
19.	<b>DECISION-MAKING BY SHAREHOLDERS: VOTING AT GENERAL MEETINGS</b>	47
20.	<b>COMPANY SECRETARY</b>	51
21.	AUTHENTICATION	51
22.	<b>COMPANY SEALS</b>	51
23.	PROVISION FOR EMPLOYEES ON THE CESSATION OF BUSINESS	52
24.	NOTICES AND COMMUNICATIONS	52
25.	INDEMNITIES AND FUNDING OF PROCEEDINGS	53
26.	INSURANCE	54
27.	<b>SHARE RIGHTS</b>	54

<b>SCHEDULE 1</b>	<b>57</b>
<b>PART 1 – MATTERS REQUIRING CONSENT OF THE FOUNDERS UNDER ARTICLES 3.1 AND 19.7</b>	<b>57</b>
<b>PART 2 - MATTERS REQUIRING B SHAREHOLDER CONSENT UNDER ARTICLES 3.2 AND 19.7</b>	<b>1</b>
<b>PART 3 - MATTERS REQUIRING INVESTOR CONSENT UNDER ARTICLES 3.3 AND 19.7</b>	<b>1</b>
<b>PART 4 - MATTERS REQUIRING E SHAREHOLDER MAJORITY CONSENT UNDER ARTICLES 3.4 AND 17.7</b>	<b>4</b>

**THE COMPANIES ACT 2006**

**ARTICLES OF ASSOCIATION**

**- of -**

**INVIEW TECHNOLOGY LIMITED**

**("Company")**

**1. PRELIMINARY**

- 1.1 The relevant model articles (within the meaning of section 20(2) Companies Act 2006 as amended, modified or re-enacted from time to time) are excluded in their entirety.
- 1.2 For so long as there is only one shareholder of the Company, references in these articles to shareholders or which imply the existence of more than one shareholder shall be construed as references to the one shareholder for the time being of the Company.
- 1.3 In these articles (unless the context requires otherwise) the following words and expressions have the following meanings:

**"A Shares"** means A ordinary shares of £0.0003923 each, having the rights but being subject to the restrictions set out in these articles;

**"A Shareholder Majority"** means the holder or holders of A Shares who together hold in aggregate more than 50 per cent of the A Shares then in issue;

**"Appointor"** has the meaning given in article 8.1;

**"Asset Sale"** means the sale of the whole or substantially the whole of the Company's assets;

**"Associate"** in relation to any person ("first person") shall mean any person ("second person") who is connected with that first person within the meaning of section 839 Income and Corporation Taxes Act 1988;

**"associated company"** has the meaning given in article 25.1;

**"Auditors"** means the auditors for the time being of the Company;

**"B Shareholder"** means any holder of the B Shares from time to time;

**"B Shareholder Majority"** means the holder or holders of B Shares who together hold in aggregate more than 50 per cent of the B Shares then in issue;

**"B Shareholder's Group"** means the holder of B Shares at the date of adoption of these articles, its successors and assigns, any ultimate parent undertaking of the holder of B Shares for the time being and all direct or indirect subsidiary undertakings from time to time of any such parent undertaking;

**"B Shares"** means the B ordinary shares of £0.0003923 each, having the rights but being subject to the restrictions set out in these articles;

**"bankruptcy"** means an adjudication of bankruptcy by a court in England and Wales or Northern Ireland, or any individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**"Business Day"** means any day (other than Saturday, Sunday or public holidays) when clearing banks in London are open for business;

**"C Shares"** means the C ordinary shares of £0.0003923 each, having the rights but being subject to the restrictions set out in these articles;

**"C Shareholder's Group"** means the Investor, Harvester Capital Limited, the Investor Manager or their respective successors and assigns and their respective subsidiary undertakings from time to time;

**"C Shareholder Majority"** means the holder or holders of C Shares who together hold in aggregate more than 50 per cent of the C Shares then in issue;

**"capitalised sum"** has the meaning given in article 17.1.2;

**"Chairman"** has the meaning given in article 4.6.1;

**"chairman of the meeting"** has the meaning given in article 18.3;

**"clear days"** in relation to a period of notice means a period of the specified length excluding the date on which notice is given and the day for which it is given or on which it is to take effect;

**"Companies Acts"** means the Companies Acts (as defined in section 2 of the Companies Act 2006 as amended, modified or re-enacted from time to time), in so far as they apply to the Company;

**"Companies Act 2006"** means the Companies Act 2006 including any statutory modification or re-enactment of that statute for the time being in force, subject always to article 1.4;

**"Company Secretary"** means the secretary of the Company, if any, or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary, if any;

**"D Shares"** means D ordinary shares of £0.00003923 each, having the rights but being subject to the restrictions set out in these articles;

**"Distribution Recipient"** has the meaning given in article 14.2.2;

**"document"** includes, unless otherwise specified, any document sent or supplied in electronic form;

**"E Director"** means any person appointed by the E Shareholder majority to be a director pursuant to article 1.2 (including his alternate);

**"E Shares"** means the E ordinary shares of £0.0003923 each, having the rights but being subject to the restrictions set out in these articles;

**"E Shareholder Majority"** means the holder or holders of E Shares who together hold in aggregate more than 50 per cent of the E Shares then in issue;

**"eligible director"** means (a) in relation to a matter proposed at a directors' meeting, a director who is entitled to vote and to have that vote counted in relation to that particular matter at that meeting, or (b) in relation to a decision of the directors taken in accordance with article 4.2, a director who would have been entitled to vote and to have that vote counted, had the matter in question been proposed at a directors' meeting;

**"Employee Option Scheme"** has the meaning given to that expression by the Investment Agreement;

**"F Portion"** means:

- a) if the Realisation Proceeds are less than £20,000,000, the F Portion is zero;
- b) if the Realisation Proceeds are £20,000,000 or more but less than £150,000,000, the F Portion is calculated in accordance with the following formula, where "N" is the total number of all shares in issue at the date of the Realisation event (save that irrespective of how many F Shares are actually in issue, it shall be deemed for the purposes of this calculation that there are 127,500 F Shares in issue); "P" is the amount of the Realisation Proceeds (in £s) less £20,000,000; and "T" is 1 unless both (i) the date of the Realisation Event is on or after 1 November 2018; and (ii) the Board of Directors of the Company determines (by resolution passed prior to the exercise of any options over F Shares granted under the Inview Technology Limited Enterprise Incentive Management Incentive Scheme 2017) that "T" shall be 0.5:

$$\left( \frac{637,500}{N} \right) \left[ \left( \frac{\left( \frac{P}{1,000,000} \right)^{2.1}}{935.27} \right) \left( \frac{1,000,000}{1} \right) + (600,000) \right] \times T$$

By way of illustration the formula, assuming a value for N of 850,000 and a value for T of 1 will yield the following results

<b>Realisation Proceeds £m</b>	<b>F Portion £m</b>
20,000,000	450,000
30,000,000	550,954
40,000,000	882,800
50,000,000	1,464,096
60,000,000	2,305,454
70,000,000	3,414,567
80,000,000	4,797,523
90,000,000	6,459,387
100,000,000	8,404,506
110,000,000	10,636,700
120,000,000	13,159,377
130,000,000	15,975,618
140,000,000	19,088,239
150,000,000	22,499,833

- c) if the Realisation Proceeds are £150,000,000 or more, the F Portion is the result of multiplying 20% of the Realisation Proceeds by  $(637,500/N)$ , where "N" is the total number of all shares in issue at the date of the Realisation Event (except that however many F Shares are in issue, the number used for the purposes of the calculation shall be 127,500 F Shares) such that assuming a value for N of 850,000 and assuming a value for T of 1, the F Portion will be approximately 15% of the Realisation Proceeds.

**"F Shares"** means F ordinary shares of £0.0003923 each, having the rights but being subject to the restrictions set out in these articles;

**"Fair Value"** means fair value of each share in the capital of the Company being the sum which a willing purchaser would agree with a willing vendor to be the purchase price for all of the shares then in issue divided by the aggregate nominal value of all of the shares then in issue, multiplied by the nominal value of each relevant share, taking no account of any premium or any discount by reference to the size of the holding the subject of the Deemed Transfer Notice but taking into account the provisions of article 27.4 as reported on in writing by the Auditors of the Company (acting as expert and not as arbitrator).

**"Founder"** means either of Kenneth Austin or Julie Austin and the term **"Founders"** shall mean both of them;

**"Founder Director"** means any person appointed by the A Shareholder Majority to be a director pursuant to article 9.2 (including his alternate);



**"fully paid"** in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid or credited as paid to the Company;

**"Fundraising"** means any payment to be made to the Company by way of equity subscription, debt payment or otherwise than in the ordinary course of business including but not limited to any subscriptions for shares, debentures, customer non returnable advances for services or sub-licenses but for these purposes shall exclude returnable advances, and short term loans from shareholders or banks;

**"Group Companies"** means the Company and its subsidiary undertakings from time to time, and a reference to a **"Group Company"** shall be a reference to any one of them;

**"instrument"** means a document in hard copy form;

**"Investment Agreement"** means the agreement dated on the date of adoption of these Articles and made between (1) InView, (2) the Company, (3) Teletext Limited, (4) the Harvester Opportunities - InView Limited Partnership, (5) Harvester Capital Limited, (6) Professor Bodo Linnhoff and others, (7) Kenneth Austin, (8) Julie Austin, and (9) Martin Ainscough, Bill Ainscough and James Ainscough, as amended, waived, supplemented, restated or modified from time to time;

**"Investor"** means Harvester Opportunities - InView Limited Partnership;

**"Investor Consent"** means the prior consent or approval in writing of the Investor acting through the Investor Manager or the consent of an Investor Director (where such Investor Director is a shareholder in Harvester Capital Limited (registered number 7237369)) (including any conditions to which such consent or approval is subject);

**"Investor Director"** means any person appointed by the C Shareholder Majority to be a director pursuant to article 9.2 (including his alternate);

**"Investor Manager"** means Harvester Capital General Partner Limited (registered number: 7238861) or such replacement investor manager appointed by the Investor;

**"InView"** means InView Interactive Limited a company registered in England and Wales with company number 5394629;

**"InView Director"** means any person appointed by the B Shareholder Majority to be a director pursuant to article 9.2 (including his alternate);

**"Licence"** has the meaning given in the Investment Agreement;

**"Listing"** means the listing of or admission to trading of all or any part of the Company's, or any holding company of the Company's, shares on a recognised investment exchange, an overseas investment exchange (as defined in the Financial Services and Markets Act 2000) or the AIM of the London Stock Exchange;

**"Material Breach"** means a deliberate or malicious act or omission by a Founder in respect of matters entirely within their control, which act or omission constitutes a breach (where such breach, where capable of remedy, is not remedied within 30 Business Days of the Founders being notified that such breach is considered to be a Material Breach for the purposes of these Articles of Association of:

- (a) the provisions of article 3.3 and clause 11.1.3 (matters requiring Investor Consent) of the Investment Agreement; and/or
- (b) the provisions of clause 12 (access to information) of the Investment Agreement,

which act or omission, in the reasonable opinion of the Investor, acting bona fide, will have a material adverse effect on the Company, its business or its assets or the value of the shares to a significant extent;

**"persons entitled"** has the meaning given in article 17.1.2;

**"Privileged Relation"** means the spouse, former spouse, widow or widower of a shareholder and the shareholder's children and grandchildren (including step and adopted children), and step and adopted children of the shareholder's children;

**"Proxy Notice"** has the meaning given in article 19.5.1;

**"qualifying person"** has the meaning given in article 18.2;

**"Realisation Event"** means a Listing, a Sale, an Asset Sale or a return of capital otherwise than on a winding-up;

**"Realisation Proceeds"** means:

- a) on the occurrence of a Realisation Event that is a Listing, the market capitalisation of the Company (net of funds raised by the Company on the Listing);
- b) on the occurrence of a Realisation Event that is a Sale, the proceeds of Sale;
- c) on the occurrence of a Realisation Event that is an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities and available for distribution among the shareholders (including the net proceeds of sale received by the Company after making allowance for all taxation and contingent liabilities in relation to such sale); and
- d) on the occurrence of a Realisation Event that is a return of capital, the surplus assets of the Company remaining after payment of its liabilities and available for distribution among the shareholders.

**"Relevant Company"** has the meaning given in article 26.2;

**"Relevant Matter"** means in relation to a director, a matter which may constitute or give rise to a breach by that director of his duty under section 175 Companies Act 2006 to avoid

a situation in which he has, or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company (including a breach which would arise by virtue of his appointment as a director);

**"Sale"** means the transfer of all or any part of the Company's share capital to any person resulting in that person together with any person acting in concert (within the meaning given in the City Code on Takeovers and Mergers as in force at the date of the adoption of these articles) with such person holding more than 50% of the shares of the Company then in issue;

**"share"** means a share in the Company;

**"shareholder"** means a person whose name is entered on the register of members as the holder of a share;

**"Transfer"** means to sell, assign, dispose of, exchange, pledge, encumber, distribute (whether by dividend or otherwise), hypothecate or otherwise transfer (and **"Transferred"** shall be construed accordingly);

**"Transmittee"** means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law;

**"United Kingdom"** means Great Britain and Northern Ireland;

**"Valuers"** means the Auditors unless such Auditors give notice to the Company that they decline an instruction to report when the Valuers shall be a firm of chartered accountants agreed between the A Shareholder Majority, the B Shareholder Majority, the C Shareholder Majority and the E Shareholder Majority or, in default of agreement, within ten Business Days of the first name being proposed by either of them, as nominated by the President from time to time of the Institute of Chartered Accountants in England and Wales on the application of the directors;

**"writing"** means a method of representing or reproducing words, symbols or other information by any method or combination of methods, whether in electronic form, hard copy or in any other legible and non-transitory form and **"written"** shall be construed accordingly.

- 1.4 Words and expressions defined in the Companies Act 2006 and used in these articles (either without further definition or by expressly referring to the statutory definition of that word or expression) shall bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company. This does not apply (a) where the word or expression used is not defined by express reference to the Companies Act 2006 and the subject or context in which that word or expression is used is inconsistent with the statutory definition, or (b) where that word or expression is otherwise defined in these articles. In all other circumstances references in these articles to any statute or statutory provision (including without limitation the Companies Act 2006 or any provision of the Companies Act 2006) subordinate legislation, code or guideline (**"legislation"**) is a

reference to such legislation as the same may from time to time be amended, re-enacted, modified, extended, varied, superseded, replaced, substituted or consolidated.

## **2. LIABILITY OF MEMBERS**

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

## **3. DIRECTORS' POWERS, RESPONSIBILITIES AND DELEGATION**

- 3.1 No action shall be taken or resolution or decision passed, made or taken by the Company or any subsidiary of the Company in relation to any matter listed in part 1 of schedule 1 to these articles without the consent in writing of the A Shareholder Majority for so long as the holders of A Shares between them hold shares representing not less than 10% of the nominal value of the issued share capital of the Company at such time.
- 3.2 No action shall be taken or resolution or decision passed, made or taken by the Company or any subsidiary of the Company in relation to any matter listed in part 2 of schedule 1 to these articles without the consent in writing of the B Shareholder Majority for so long as the holders of B Shares between them hold shares representing not less than 10% of the nominal value of the issued share capital of the Company at such time.
- 3.3 No action shall be taken or resolution or decision passed, made or taken by the Company or any subsidiary of the Company in relation to any matter listed in part 3 of schedule 1 to these articles without the consent in writing of the C Shareholder Majority for so long as the holders of C Shares between them hold shares representing not less than 10% of the nominal value of the issued share capital of the Company at such time.
- 3.4 No action shall be taken or resolution or decision passed, made or taken by the Company or any subsidiary of the Company in relation to any matter listed in part 4 of schedule 1 to these articles without the consent in writing of the E Shareholder Majority for so long as the holders of E Shares between them hold shares representing not less than 10% of the nominal value of the issued share capital of the Company at such time.
- 3.5 Subject to these articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.
- 3.6 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action. No such special resolution shall invalidate anything which the directors have done before the passing of the resolution.
- 3.7 The directors may, by a decision taken in accordance with article 4.1 or 4.2, exercise the powers of the Company to change the Company's name.
- 3.8 Subject to these articles, the directors may delegate any of the powers which are conferred on them under these articles to such person or committee, by such means (including by power of attorney) to such an extent, in relation to such matters or territories, and on such terms and conditions, as they think fit. If the directors so specify, any such delegation may

---

authorise further delegation of the directors' powers by any person to whom they are delegated. The directors may revoke any delegation in whole or part, or alter its terms and conditions.

- 3.9 Committees to which the directors delegate any of their powers must follow procedures which are based, as far as they are applicable, on those provisions of these articles which govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees which prevail over rules derived from these articles if they are not consistent with them.

#### **4. DECISION-MAKING BY DIRECTORS**

##### **4.1 Directors to take decisions collectively**

- 4.1.1 The general rule about decision making by directors is that any decision of the directors must either be a majority decision at a meeting or taken in accordance with article 4.2.
- 4.1.2 If the Company only has one director for the time being (and no provision of these articles requires it to have more than one director) the general rule does not apply and the sole director (for as long as he remains the sole director) shall be entitled to exercise all the powers and authorities vested in the directors by these articles (and the provisions of these articles shall be construed accordingly), and he may take decisions (provided that he constitutes an eligible director in relation to any particular decision) without regard to the provisions of articles 4.2, 4.3, 4.4.1, 4.4.2, 4.4.5, 4.4.8, 4.5.1 and 4.6 relating to directors' decision-making.

##### **4.2 Unanimous decisions**

A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter. Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated his agreement in writing. A decision may only be taken in accordance with this article 4.2 where the eligible directors taking the decision would have formed a quorum had the matter been proposed as a resolution at a directors' meeting.

##### **4.3 Calling a directors' meeting**

- 4.3.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company Secretary to give such notice. The Company Secretary must call a directors' meeting if a director so requests.
- 4.3.2 Notice of any directors' meeting must indicate, its proposed location (if any), its proposed date and time and, if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

- 4.3.3 Subject to these articles, notice of a meeting of the directors must be given to each director (including one who is absent for the time being from the United Kingdom) and may be given either personally or by word of mouth or in hard copy form or by electronic means, or by any other means authorised by the director concerned.
- 4.3.4 Notice of a directors' meeting need not be given to directors who are not entitled to receive notice, or who have elected not to receive notice of that meeting pursuant to article 7.1.2, or who have waived their entitlement to notice of that meeting, by giving notice to that effect to the Company in advance of the meeting or not more than 7 days after the date on which the meeting is held. Where such notice of waiver is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

#### **4.4 Participation in directors' meetings and decision making**

- 4.4.1 Subject to these articles, the directors participate in a directors' meeting when the meeting has been called and takes place in accordance with these articles and where each director can communicate orally to all of the other directors taking part, any information or opinions he has on any particular item of the business of the meeting. In determining whether the directors are participating in a directors' meeting it is irrelevant where any director is or (subject to the first sentence of this article) how the directors communicate with each other. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the board meeting is located.
- 4.4.2 Subject to these articles, each director participating in a directors' meeting has one vote.
- 4.4.3 Subject to the Companies Act 2006 and subject to article 4.4.6 and the other provisions of these articles, a director may participate in any decision-making process (including being able to vote on, and be counted in the quorum at any meeting) where the matter under consideration or resolution to be voted on, concerns a matter in which he has a direct or indirect interest which conflicts or may conflict with the interests of the Company provided that:
  - 4.4.3.1 the director has declared the nature and extent of that interest in accordance with and to the extent required by the provisions of the Companies Act 2006 and these articles;
  - 4.4.3.2 where necessary, any situation which could give rise to a conflict and which would otherwise be prohibited by section 175 of the Companies Act 2006 is authorised pursuant to article 5.1 or article 6; and

4.4.3.3 the terms of any authorisation given or imposed pursuant to article 5.1 or article 6 do not prevent or otherwise restrict the director from doing so,

but otherwise shall not be entitled to participate in such process or to vote or count in the quorum where he has a direct or indirect interest which conflicts or may conflict with the interests of the Company. If a director purports to vote in a situation where, by virtue of this article 4.4.3 (or the terms of any authorisation) he is not so entitled, his vote shall not be counted.

4.4.4 For the purposes of article 4.4.3:

4.4.4.1 an interest of a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006) shall be treated as an interest of the director;

4.4.4.2 in relation to an alternate, an interest of his Appointor shall be treated as an interest of the alternate in addition to any interest which the alternate otherwise has, but this does not preclude the alternate from voting in relation to that transaction or arrangement on behalf of another Appointor who does not have such an interest (or for himself if he is a director and has no such interest);

4.4.4.3 references to a conflict of interest include a conflict of interest and duty and a conflict of duties; and

4.4.4.4 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.

For the avoidance of doubt, where a director ("**first director**") is appointed to act as an alternate by another one or more directors ("**second director**") and the first director has an interest which prevents him from voting in relation to any transaction or arrangement, that first director shall also not be entitled to vote in relation to that transaction or arrangement as alternate on behalf of any second director.

4.4.5 Any Investor Director that is the subject of a conflict situation envisaged by article 5.6 shall (save as provided in article 4.4.6 below) be entitled to:

4.4.5.1 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

4.4.5.2 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.

4.4.6 Notwithstanding any other provision in these Articles, no director shall be entitled to be present, to count in the quorum or to vote in respect of any matter being considered by the Board in respect of any:

4.4.6.1 negotiations;

4.4.6.2 the enforcement of any rights, claims, obligations or duties,

between the Company (on the one hand) and the Director or the shareholder who appointed such director in accordance with article 9.2 (on the other hand).

4.4.7 Subject to article 4.4.8, if a question arises at a meeting of the directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, and that question is not resolved by the director voluntarily agreeing to abstain from voting, the question may, before the conclusion of the meeting, be referred to the Chairman whose ruling in relation to any director other than the Chairman is to be final and binding.

4.4.8 If any question as to the right to participate in a meeting (or part of a meeting) arises in respect of the Chairman (and that question is not resolved by the Chairman voluntarily agreeing to abstain from voting) the question is to be decided by a decision of the directors at that meeting, for which purpose the Chairman is not to be counted as entitled to participate in the meeting (or that part of the meeting) for voting or quorum purposes.

#### **4.5 Quorum for directors' meetings**

4.5.1 No meeting of the directors shall be quorate unless one Investor Director (unless the Investor has waived that requirement in respect of that meeting or the Investor Directors are not permitted to count in the quorum or vote in respect of the matters being considered at any part of a meeting in accordance with article 4.4.6), one Founder Director (unless the Founders have together waived that requirement in respect of that meeting or the Founder Directors are not permitted to count in the quorum or vote in respect of the matters being considered at any part of a meeting in accordance with article 4.4.6), one InView Director (unless InView has waived that requirement in respect of that meeting or the Inview Directors are not permitted to count in the quorum or vote in respect of the matters being considered at any part of a meeting in accordance with article 4.4.6) one E Director (unless the E Director has waived that requirement in respect of that meeting or the E Director is not permitted to count in the quorum or vote in respect of the matters being considered at any part of a meeting in accordance with article 4.4.6) are present provided always that to the extent at a meeting of the directors either the Investor, the Founders, InView or the E Shareholder Majority have waived the requirement as to the presence of their respective nominee directors, no business may be discussed or resolved at that meeting that was not detailed (with sufficient information to enable the directors to appreciate the subject matter of each item of business) in the agenda and



other papers circulated prior to that meeting together with the notice of that meeting.

4.5.2 At a directors' meeting, unless a quorum is participating in respect of any of the business to be considered at that meeting, no proposal is to be voted on, except a proposal to call another meeting.

4.5.3 If at a validly convened meeting of the directors a quorum is not constituted within half an hour of the appointed time, the meeting shall stand adjourned to a time to be agreed by an Investor Director, an InView Director, a Founder Director and the E Director, being not earlier than five Business Days after the date of the original meeting and, at that adjourned meeting, the meeting shall be quorate when at least two directors are present regardless of whether or not an Investor Director, an InView Director, a Founder Director or the E Director (or any of them) are present, provided always that no new business shall be tabled at any such adjourned meeting of the directors at which one or more of an Investor Director, an InView Director, a Founder Director or the E Director is not present that was not detailed (with sufficient information to enable the directors to appreciate the subject matter of each item of business) in the agenda and other board papers distributed prior to the first meeting where the quoracy requirements set out in article 4.5 were not satisfied.

4.5.4 If there are no directors in office or the directors in office or the sole director are unable or unwilling to form a quorum or to take a decision on any particular matter, or to appoint further directors to make up a quorum or to enable a decision to be taken on any particular matter, or to call a general meeting or circulate a written resolution to do so, then any shareholder may call a general meeting or circulate a written resolution or instruct the Company Secretary to do so, for the purposes of taking the decision or appointing one or more additional directors to form a quorum or to enable a decision to be taken.

#### **4.6 Chairing of directors' meetings and chairman's casting vote**

4.6.1 When the Company has appointed a Chairman, the Chairman shall act as the chairman of all meetings of the board of directors. If the Chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, or is unwilling or unable to act as chairman at that meeting or any part of it, the participating directors must appoint one of themselves who is willing and able so to act, to be the Chairman for that meeting or for that part of the meeting.

4.6.2 Subject to article 4.6.3, the Chairman shall not have a casting or second vote at a meeting of the directors or of shareholders.

4.6.3 The Chairman at the date of adoption of these articles shall be Kenneth Austin. Whilst Kenneth Austin remains Chairman, he shall have a casting vote at all meetings of the directors in the event of an equality of votes.

#### **4.7 Records of decisions to be kept**

The directors must ensure that the Company keeps a permanent record in writing which can be read by the naked eye, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors and of any decisions taken by a sole director.

#### **4.8 Directors' discretion to make further rules**

Subject to these articles and the Companies Act 2006, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

#### **4.9 Investor's rights at meetings of the directors**

4.9.1 Without prejudice to article 9.5, the A Shareholder Majority, the B Shareholder Majority, the C Shareholder Majority and the E Shareholder Majority will each have the right at any time to appoint any one person as an observer to attend and speak at meetings of the directors or any committee of the directors (but not to vote) and the provisions of article 9.5 shall apply as if they were set out in full in this article 4.9, but any person so appointed will not be a director.

4.9.2 The A Shareholder Majority, the B Shareholder Majority, the C Shareholder Majority and the E Shareholder Majority will each have the right to have its professional advisers present at any meetings of the directors or any committee of the directors.

### **5. DIRECTORS' PERMITTED INTERESTS**

5.1 Save as provided by article 5.2 below, provided that (a) he has declared the nature and extent of his interest in accordance with (and to the extent required by) the provisions of article 5.5; and (b) the directors or the shareholders have not (upon request) refused to give specific authorisation pursuant to article 6 for a particular situation or matter; and (c) the directors and shareholders have not otherwise resolved pursuant to article 6.3 that a particular situation or matter shall no longer be authorised; a director, notwithstanding his office, shall be authorised:

5.1.1 to enter into, or otherwise be interested in, any transaction or arrangement with the Company or any other Group Company or in which the Company (or any other Group Company) is interested, either with regard to his tenure of any office or position in the management, administration or conduct of its business or as seller, buyer or otherwise;

5.1.2 to hold any office or place of profit (except that of auditor) with, or to be employed by or a consultant to or otherwise interested (including by way of the holding of shares or securities convertible into shares) in, the Company, any other Group Company or in any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Associate of any such shareholder;

- 5.1.3 to act by himself or by any firm of which he is a partner, director, employee or member in a professional capacity (except as auditor) for the Company, any other Group Company or any shareholder holding a majority of the voting rights attaching to the issued share capital of the Company or any Associate of any such shareholder and he or his firm shall be entitled to remuneration for professional services as if he were not a director of the Company; and
- 5.1.4 to be a director of any other company in which the Company does not have an interest if that cannot reasonably be regarded as likely to give rise to a conflict of interest at the time of his appointment as a director of the Company or that other company (whichever is the later),

and such authorisations shall extend to any direct or indirect interest that conflicts or possibly may conflict with the interests of the Company which may reasonably be expected to arise out of the situations and matters so authorised and which is capable of being authorised at law. No authorisation shall be required pursuant to article 6 of any such situation or matter authorised by this article 5.1 and, without limitation, no director shall, by reason of his holding office as a director of the Company (or of the fiduciary relationship established by his holding that office) be liable to account to the Company for any remuneration, profit or other benefit received as a result of any interest permitted by this article 5.1 and no transaction or arrangement shall be liable to be avoided by reason of any director having any interest or having received any benefit permitted by this article 5.1.

- 5.2 Notwithstanding any other provision of these articles, all conflicts arising shall not be capable of being approved in respect of any director where the relevant conflict relates to any direct interest that that director has in a direct competitor of the Company (save where such interest relates to the holding of not more than one per cent of any class of stock, shares or debentures of any company whose shares are listed or dealt in on any recognised investment exchange and confer the right to vote at a general meeting of such company).
- 5.3 The authorisations given pursuant to and the other provisions of article 5.1 shall extend to and include, without limitation, direct or indirect interests of a director which arise (or which may potentially arise) due to:
  - 5.3.1 any transaction entered into by the director or any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder in relation to shares (or securities convertible into shares) debentures or other securities in (a) the Company or any other Group Company; or in (b) such shareholder or in any such Associate of such shareholder;
  - 5.3.2 any guarantee, security or indemnity given or proposed to be given by any Group Company to, or to any person for the benefit of, (a) any other Group Company; or (b) any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder;

- 5.3.3 the recommendation, declaration and payment of any dividend or other distribution by the Company;
- 5.3.4 any transaction or arrangement proposed, made, terminated or varied between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder including without limitation transactions or arrangements relating to the sale and supply of goods and services, the borrowing or advancing of money and the use of property and other assets; and
- 5.3.5 any claim or right arising between (a) the Company and any other Group Company; or (b) the Company and any shareholder holding the majority of the voting rights attaching to the issued share capital of the Company or any Associate of that shareholder.

It shall be a term and condition of the authorisation given pursuant to article 5.3.5 that the director shall not be entitled to vote or participate in any discussions relating to the exercise, enforcement or pursuance of any claim or right so authorised.

5.4 For the purposes of articles 5.1 and 5.2:

- 5.4.1 an interest of: (a) a person who is connected with a director (within the meaning of section 252 of the Companies Act 2006); and (b) the Appointor in relation to any alternate; shall be treated as an interest of the director or the alternate (as appropriate) in each case in addition to any interest which the director or alternate otherwise has; and
- 5.4.2 any authorisation of a situation or matter pursuant to articles 5.1 and 5.2 relating to a Group Company or to any shareholder holding the majority of the voting rights in the share capital of the Company or any Associate of that shareholder, shall be effective only for so long as the relevant Group Company remains a Group Company, the relevant shareholder holds the majority of the voting rights in the Company and the relevant Associate remains an Associate of a person who holds the majority of the voting rights in the Company.

5.5 In relation to transactions or arrangements with the Company, the director shall declare the nature and extent of any interest authorised under articles 5.1 and 5.2 in any way permitted by the Companies Act 2006 and shall only be required to make such disclosure to the extent required to do so under the Companies Act 2006. In relation to other situations of actual or potential conflict of interest, the director shall declare the nature and extent of his interest at a meeting of the directors, or as otherwise determined by the directors, but shall not be required to declare the nature and extent of his interest to the extent that the other directors are already aware of the interest and its extent.

5.6 Save as provided by article 4.4.6, for the purposes of sections 175 and 180(4) of the Act and for all other purposes, it is acknowledged that an Investor Director may be or become subject to Relevant Matter as a result of his also being or having been a party to an

agreement, arrangement, understanding or circumstance under which he may be or become an employee, director, trustee, member, partner, officer or representative of, or a consultant to or investor (direct or indirect) in and/or otherwise commercially involved with or economically interested in any of the following:

5.6.1 the Investor;

5.6.2 any Investor Affiliate, which for the purpose of this article 5.6.2 means any person who or which, as regards the Investor or any other Investor Affiliate:

5.6.2.1 is a member of the Investor's Group or any associated company of any member of the Investor's Group;

5.6.2.2 is an investment manager or investment adviser to or of it and/or another Investor Affiliate; and/or

5.6.2.3 is a person in which the Investor and/or another Investor Affiliate may have to acquire a direct or indirect economic interest, including without limitation any portfolio company investee; and/or

5.6.2.4 controls or is controlled, managed, advised (in an investment adviser capacity) or promoted by the Investor and/or such an Investor Affiliate; and/or

5.6.2.5 a trustee, manager, beneficiary, shareholder, partner, unit-holder or another financier or any other participant in or of it and/or that Investor Affiliate.

5.7 An Investor Director's duties to the Company arising from his holding office as a director shall not be breached or infringed as a result of any Relevant Matter envisaged by article 5.6 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 interest or involvement in any person or entity referred to in article 5.6, save that to the extent that the activities of such person or entity are competitive with those of the Company and/or any of its subsidiaries, the Investor Director may not participate in the business and other activities of any such person or entity, whether as a director, employee, consultant, member or otherwise.

## **6. AUTHORISATION OF CONFLICTS OF INTEREST**

6.1 Any Relevant Matter may be authorised by the directors to the fullest extent permitted by law in accordance with the provisions of articles 6.2 to 6.4.

6.2 Any director may propose that a Relevant Matter be authorised by the directors. Such proposal and any authorisation given by the directors shall be effected in the same way as any other matter may be proposed to, and resolved upon by, the directors in accordance with these articles (or in such other manner as all the directors may approve), except that no authorisation shall be effective unless the requirements of section 175(6) of the

Companies Act 2006 have been complied with. Any authorisation of a matter pursuant to this article 6 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. A Relevant Matter envisaged by article 5.6 shall automatically be deemed to be authorised by the directors.

- 6.3 Any authorisation of a matter under this article 6 shall be subject to such terms, conditions and limitations as the directors may specify, whether at the time of giving the authorisation or subsequently. The directors or the shareholders may terminate or vary (including by imposing new terms, conditions and limitations in relation to) any authorisation given under this article 6 or under article 5.1 for the purpose of section 175 of the Companies Act 2006 at any time, but no such termination or variation shall be of retrospective effect. The director concerned must act in accordance with any terms, conditions or limitations specified by the directors or the shareholders in accordance with this article 6.3.
- 6.4 No director shall, by reason of his office as director of the Company (or by reason of the fiduciary relationship established by holding that office), be liable to account to the Company for any benefit derived from any Relevant Matter to the extent that the Relevant Matter has been authorised by the directors in accordance with this article 6. No transaction or arrangement shall be liable to be avoided by reason of any interest of a director to the extent that it has been so authorised.
- 6.5 Notwithstanding the other provisions of this article 6, the shareholders of the Company shall be entitled to authorise a Relevant Matter (whether or not authorisation has previously been requested from and/or refused by the directors) and any authorisation of a matter pursuant to this article 6.5 shall, unless it states otherwise, extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised. The provisions of articles 6.3 and 6.4 shall apply mutatis mutandis to any authorisation so given by the shareholders save that the word(s) "directors" or "directors or shareholders" when referring to the authorisation being given or to any terms and conditions of authorisation being specified, imposed, varied or terminated shall be read only as the word "shareholders". Any authorisation, and the variation or termination of any authorisation by the shareholders under article 6.3 or this article 6.5 shall be by ordinary resolution, save where any greater majority is otherwise required by the Act or other applicable law.

## **7. DIRECTORS' INTERESTS: GENERAL**

- 7.1 Where this article 7.1 applies, a director shall be deemed to have the authority, without breaching the general duties he owes to the Company by virtue of sections 171 to 177 of the Companies Act 2006 to take (and shall take if so requested by the other directors or the shareholders) such steps as may be necessary or desirable for the purpose of managing any conflict of interest to which this article 7.1 applies, including (without limitation) by:
- 7.1.1 complying with any procedures laid down from time to time by the directors or shareholders for the purpose of managing conflicts of interest generally or any

specific procedures approved by the directors or shareholders in relation to the situation, matter or interest in question;

7.1.2 excluding himself from attending and voting at board meetings or otherwise participating in directors' decision making to the extent relating to such situation, matter or interest or from participating in discussions (whether at meetings of the board or otherwise), or receiving documents or information to the extent relating to any such situation, matter or interest (including without limitation, notice of meetings, board papers, minutes or draft minutes, directors' written resolutions and legal advice given to any Group Company);

7.1.3 arranging for documents or information relating to any such situation, matter or interest to be reviewed by a professional adviser to ascertain the extent to which it might be appropriate for him to have access to such documents or information; and/or

7.1.4 not disclosing to the Company, or not using in relation to the Company's affairs, information which he obtains or has obtained otherwise than through his position as a director of the Company which relates to a situation, matter or interest and which is confidential to a third party, where to do so would amount to a breach of confidence or breach of duty to the third party.

7.2 Article 7.1 shall apply, where a director has or could have:

7.2.1 a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company and provided that the interest or the existence of the situation or relationship leading to the interest has been authorised pursuant to article 5.1 or article 6 and unless otherwise specified by the terms and conditions of such authorisation; and

7.2.2 a direct or indirect interest in a transaction or arrangement with the Company and such interest has been declared to the other directors to the extent required by the Companies Act 2006.

7.3 Where a director obtains or has obtained information, otherwise than through his position as a director, which is confidential to a third party other than the Company, then provided that the duty of confidentiality does not arise out of a situation in which the director has or may have a direct or indirect conflict of interest, the director shall not be required to disclose such information to the Company or use it in relation to the Company's affairs. This article is without prejudice to the ability of a director to withhold such information from the Company in accordance with the provisions of article 7.1.

7.4 Articles 7.1 and 7.3 are without prejudice to any equitable principle or rule of law which may otherwise excuse or release the director from any requirement to disclose information or use information in relation to the Company's affairs, participate in discussions or receive documents or information.

- 7.5 For the purposes of articles 5 to 7 references to a conflict of interest include a conflict of interest and duty and a conflict of duties.

## 8. **ALTERNATE DIRECTORS**

- 8.1 Subject to article 9.2, any director, other than an alternate director ("**Appointor**") may appoint as an alternate any other director, or any other person who is willing to act, to exercise (in the absence of the Appointor) the Appointor's powers as a director generally, and in particular but without limitation (in the absence of the Appointor) to carry out the Appointor's responsibilities in relation to the taking of decisions by directors.
- 8.2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the Appointor, or in any other manner approved by the directors. The notice must identify the proposed alternate and, in the case of a notice of appointment, contain a statement signed by the proposed alternate that the proposed alternate is willing to act as the alternate of the director giving the notice.
- 8.3 An alternate director has the same rights, in relation to any directors' meeting or decision of the directors, as the alternate's Appointor and, without limitation, is entitled to receive notice of all meetings of directors and committees of directors and all meetings of shareholders which their Appointor is entitled to receive and in the absence of their Appointor, to attend, speak and vote at all such meetings at which the Appointor is entitled to attend, speak and vote.
- 8.4 Except as these articles specify otherwise, alternate directors are deemed for all purposes to be directors, are liable for their own acts and omissions, are subject to the same restrictions as their Appointors, and are not deemed to be agents of or for their Appointors.
- 8.5 Subject to article 8.6, a person who is an alternate director, but not a director:
- 8.5.1 may be counted as participating in a directors' meeting for the purposes of determining whether a quorum is present and may vote on any proposal made at a directors' meeting (if that person's Appointor is not participating but would have been an eligible director in relation to that proposal had he been participating); and
- 8.5.2 may take part in decisions of the directors pursuant to article 4.2 (provided that person's Appointor does not take part in making the decision but would have been an eligible director in relation to that decision had he taken part in making it).
- 8.6 A person may be appointed as the alternate director of more than one director. Where a person is appointed as the alternate director of more than one director, or is an alternate director and a director himself, that alternate director shall (subject to article 4.4):
- 8.6.1 be entitled at meetings of the directors to one vote in respect of every director by whom he has been appointed (and who is not himself participating, but who



would have been an eligible director in relation to the proposal had he been participating) in addition to his own vote (if any) as a director;

8.6.2 may be counted more than once for the purpose of determining whether or not a quorum is present; and

8.6.3 shall be entitled to take part in decisions of the directors pursuant to article 4.2 on behalf of each director by whom he has been appointed (and who would have been an eligible director in relation that decision) as well as being able to take part in making the decision for himself (if he is a director).

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

8.8 An alternate director's appointment as an alternate for a particular Appointor shall terminate:

8.8.1 when that Appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate;

8.8.2 on the death of that Appointor; or

8.8.3 when the directorship of that Appointor terminates;

and an alternate director's appointment as an alternate for an Appointor (and, if the person is an alternate for more than one director, that person's appointment as an alternate for each Appointor) shall terminate on the occurrence in relation to the alternate of any event which, if it occurred in relation to any Appointor of that alternate, would result in the termination of that Appointor's appointment as a director.

## 9. NUMBER, APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

9.1 Unless otherwise determined by special resolution, the number of directors (other than alternate directors) shall not exceed ten directors, but shall not be less than two. For the avoidance of doubt, no director may be appointed other than pursuant to articles 9.2 and 9.3.

9.2 The A Shareholder Majority shall (for so long as the A Shares together represent not less than 10% of the nominal value of the issued share capital of the Company) may from time to time appoint up to two individuals willing to act and permitted by law to do so, as directors (and any alternate for any such director) and remove from office any individual so appointed (each such director being a "**Founder Director**"). The B Shareholder Majority shall (for so long as the B Shares represent not less than 10% of the nominal value of the issued share capital of the Company) may from time to time appoint up to two individuals willing to act and permitted by law to do so, as directors (and any alternate for any such director) and remove from office any individual so appointed (each such director being an "**InView Director**"). The C Shareholder Majority (for so long as the C Shares represent not less

than 10% of the nominal value of the issued share capital of the Company) may from time to time appoint up to three individuals willing to act and permitted by law to do so, as directors (and any alternate for any such directors) and remove from office any individual so appointed (each such director being an **"Investor Director"**). The E Shareholder Majority shall (for so long as the E Shares represent not less than 10% of the nominal value of the issued share capital of the Company) may from time to time appoint up to one individual willing to act and permitted by law to do so, as a director (and any alternate for such director) and remove from office an individual so appointed (such director being the **"E Director"**).

9.3 Subject to article 9.2, any person other than a Founder Director, an InView Director, an Investor Director or an E Director who is willing to act as a director (**"New Director"**), and is permitted by law to do so, may be appointed to be a director by a decision of the board of directors, provided that if a director is so appointed and Kenneth Austin votes against the resolution of the board of directors pursuant to which that New Director was appointed, then Kenneth Austin may, within 30 Business Days of the date of appointment of the New Director, appoint an additional individual willing to act and permitted by law to do so as a director and remove from office any individual so appointed and replace any person so removed.

9.4 If Kenneth Austin votes against a resolution of the directors to appoint a New Director pursuant to article 9.3, then the board of directors will not appoint a New Director pursuant to article 9.3 where, as a result of such appointment being made, the total number of directors would then be appointed equals the maximum number of directors permissible under article 9.1.

9.5 Any appointment or removal of:

9.5.1 an Investor Director shall be in writing served on the Company signed by the C Shareholder Majority;

9.5.2 an InView Director shall be in writing served on the Company signed by the B Shareholder Majority;

9.5.3 a Founder Director shall be in writing served on the Company signed by the A Shareholder Majority; and

9.5.4 an E Director shall be in writing served on the Company signed by the E Shareholder Majority,

and shall take effect at the time it is served on the Company or (if later) the date expressly stated therein, whichever is earlier. Any such appointment or removal by a body corporate or partnership (whether limited liability or not) may be signed on its behalf by its duly authorised representative.

9.6 In any case where, as a result of death or bankruptcy, the Company has no shareholders and no directors, the Transmittée(s) of the last shareholder to have died or to have had a bankruptcy order made against him (as the case may be) have the right, by notice in writing,

to appoint a natural person who is willing to do so to be a director and any such appointment shall be as effective as if made by the Company in general meeting pursuant to these articles. For the purposes of this article, where two or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

- 9.7 If the board of directors determines that it is appropriate for a non-executive director to be appointed to any Group Company, then the Investor shall have the right, in priority to any other shareholder to nominate an Investor Director for such position, provided that this right shall only have effect if the Investor holds more issued shares than any other Shareholder.
- 9.8 A person ceases to be a director as soon as:
- 9.8.1 that person ceases to be a director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
  - 9.8.2 (in case of a director who is a natural person) a bankruptcy order is made against that person or a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 9.8.3 (in the case of a director which is a body corporate) that body corporate (i) passes any resolution for voluntary winding up (within the meaning of section 84(2) Insolvency Act 1986 or otherwise) or is wound up by the court; (ii) is the subject of an administration order or an administrator is appointed in respect of that body corporate; (iii) makes any proposal under Part I Insolvency Act 1986 or otherwise for a composition in satisfaction of its debts or a scheme of arrangement of its affairs or makes any proposal under part 26 Companies Act 2006 or otherwise for a compromise or arrangement between it and its creditors or any class of them, makes any arrangement or compromise with creditors generally or ceases to carry on all or substantially all of its business; (iv) has an administrative receiver, receiver or manager appointed over all or any substantial part of its assets; or is the subject of any occurrence substantially similar in nature or effect, whether in England and Wales or any other jurisdiction;
  - 9.8.4 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
  - 9.8.5 by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
  - 9.8.6 (where the director has not participated in decision making of the directors for more than six months and the directors believe this to be by virtue of any mental or physical incapacity of the director) the directors resolve that his office be vacated; and

- 9.8.7 notification is received by the Company from the director that the director is resigning from office, as director and such resignation has taken effect in accordance with its terms.

## **10. DIRECTORS' REMUNERATION AND EXPENSES**

- 10.1 Directors may undertake any services for the Company that the directors decide and shall be entitled to such remuneration in such form as the directors determine both for their services to the Company as directors and for any other service which they undertake for the Company. Unless the directors decide otherwise such remuneration shall accrue from day to day and directors shall not be accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.
- 10.2 The Company may pay any reasonable expenses which the directors (including any alternate director) or the Company Secretary properly incur in connection with their attendance at meetings of directors or committees of directors, general meetings, or separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the proper exercise of their powers and the discharge of their responsibility in relation to the Company.
- 10.3 The directors may exercise all the powers of the Company to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director or former director who holds or has held any executive office or employment with the Company or with any body corporate which is or has been a Group Company or with a predecessor in business of the Company or of any such body corporate, and for any member of his family (including a spouse, former spouse, civil partner or former civil partner) or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such benefit.
- 10.4 Each Investor Director, each InView Director and each E Director (or their relevant appointor or such appointor's nominee) shall be entitled to an annual fee of £15,000 (plus any applicable value added tax or equivalent) (or such other amount as may be decided by the board or directors with the consent of A Shareholder Majority, the B Shareholder Majority, the C Shareholder Majority and the E Shareholder Majority), in respect of the holding of their respective offices as non-executive directors, but subject to these exceptions, no other non-executive director shall be entitled to any fee in respect of the holding of that office unless otherwise agreed by the shareholders.

## **11. SHARES: GENERAL**

- 11.1 Save as specifically provided in these articles, the shares in the capital of the company shall rank *pari passu* save that any share or class of shares that has a lesser nominal value shall have such proportionate right to participate in the dividends, returns of capital, proceeds from a Realisation, and rights to vote on a poll as that share's nominal value represents to the nominal value of the classes of share with a greater nominal value.

- 11.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the relevant shareholder, and the directors may determine the terms, conditions and manner of redemption of any such shares.
- 11.3 Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or these articles, the Company is not in any way to be bound by or recognise any interest in a share other than the shareholder's absolute ownership of it and all the rights attaching to it.
- 11.4 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.
- 11.5 Every certificate must specify:
- 11.5.1 in respect of how many shares and of what class, it is issued;
  - 11.5.2 the nominal value of those shares;
  - 11.5.3 that the shares are fully paid; and
  - 11.5.4 any distinguishing numbers assigned to them,
- and no certificate may be issued in respect of shares of more than one class. Certificates must have affixed to them the Company's common seal, or be otherwise executed in accordance with the Companies Acts.
- 11.6 If more than one person holds a share, only one certificate may be issued in respect of it and delivery to one joint shareholder shall be a sufficient delivery to all of them.
- 11.7 If a certificate issued in respect of a shareholder's shares is damaged or defaced, or said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares. A shareholder exercising the right to be issued with such a replacement certificate may at the same time exercise the right to be issued with a single certificate or separate certificates and (if it is damaged or defaced) must return the certificate which is to be replaced to the Company, and must comply with such conditions as to evidence and indemnity as the directors decide.
- 11.8 Subject to the provisions of the Companies Act 2006, the Company may pay a commission to a person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for shares in the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares in the Company.

## **12. SHARES: TRANSFER**

### **12.1 General**

- 12.1.1 Shareholders shall only be entitled to Transfer and the directors shall only register a transfer of shares if it is expressly permitted by these articles or has

been made in accordance with article 12.3 (Drag and Tag) or article 12.4 (Compulsory Transfer).

- 12.1.2 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor. No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share and the Company may retain any instrument of transfer which is registered.
- 12.1.3 The transferor remains the holder of a share until the transferee's name is entered in the register of members as shareholder in respect of it.
- 12.1.4 Subject to these articles (in particular, but without limitation, article 12.2.1) the directors may, in their absolute discretion, refuse to register the transfer of a share. If they do so, then as soon as practicable and in any event within two months after the date on which the transfer is lodged with the Company, the instrument of transfer must be returned to the transferee with the notice of refusal together with reasons for such refusal, unless they suspect that the proposed transfer may be fraudulent.
- 12.1.5 Prior to the registration of any allotment or Transfer of shares, the transferee or proposed allottee shall enter into a Deed of Adherence to and in the manner required by the Investment Agreement.

## 12.2 **Transfer of shares and pre-emption on transfer**

- 12.2.1 Subject to article 12.1.5 but notwithstanding anything else contained in these articles, the directors shall not decline to register any transfer of shares, where such transfer:
  - 12.2.1.1 is to any bank or institution or other person to which such shares have been charged or mortgaged, or to any nominee of such a bank or institution or other person ("**Secured Institution**"); or
  - 12.2.1.2 is delivered to the Company for registration by a Secured Institution or its nominee in order to perfect its security over the shares; or
  - 12.2.1.3 is executed by a Secured Institution or its nominee pursuant to the power of sale or other power under its security over the shares; or
  - 12.2.1.4 is (in respect of B Shares only) to any member of the B Shareholder's Group, provided that subsequent to such transfer if the transferee shall cease to be a member of the B Shareholder's Group then the transferee shall forthwith transfer all the B Shares held by it to a member of the B Shareholder's Group, for such consideration as they agree; or

- 12.2.1.5 is (in respect of C Shares only) to any member of the C Shareholder's Group, provided that subsequent to such transfer if the transferee shall cease to be a member of the C Shareholder's Group then the transferee shall forthwith transfer all the C Shares held by it back to the transferor, for such consideration as they agree; or
- 12.2.1.6 is (in respect of C Shares held by Harvester Capital Limited issued pursuant to clause 2.6 of the Investment Agreement) to any shareholder in Harvester Capital Limited or to a person shown to the reasonable satisfaction of the directors to be either (a) a parent or spouse or brothers or sisters of such shareholder in Harvester Capital Limited or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of such shareholder in Harvester Capital Limited or of any such lineal descendant; or (b) to a family trust to be held for the benefit of such shareholder in Harvester Capital Limited or any of the persons referred to in (a) above, or (c) a nominee of the holder of the C Shares held by Harvester Capital Limited;
- 12.2.1.7 is (in respect of A Shares only) to a person shown to the reasonable satisfaction of the Directors to be either (a) a parent or spouse or brothers or sisters of the holder of A Shares or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the holder of A Shares or of any such lineal descendant; or (b) to a family trust to be held for the benefit of the holder of A Shares or any of the persons referred to in (a) above, or (c) a nominee of the holder of the A Shares;
- 12.2.1.8 occurs pursuant to any option granted by the Company to any employee or director where any shares to be acquired on the exercise of such option are to be transferred to the holder of such option by a shareholder and the grant of such option has been approved by shareholders; or
- 12.2.1.9 is (in respect of E Shares only) to a person shown to the reasonable satisfaction of the Directors to be either (a) a parent or spouse or brothers or sisters of the holder of E Shares or any lineal descendant of that person or any person who is or has been married to any such lineal descendant or any stepchild or adopted child of the holder of E Shares or of any such lineal descendant; or (b) to a family trust to be held for the benefit of the holder of E Shares or any of the persons referred to in (a) above, or (c) a nominee of the holder of the E Shares;

12.2.1.10 has the prior written consent of the shareholders holding not less than 75% of the voting rights in the capital of the Company, subject to the fulfilment of any conditions on the basis of which any such consent is given;

12.2.1.11 a transfer of the entire legal and beneficial interest in shares by a shareholder to (i) any of its Associates or (ii) any of its shareholders or (iii) a Privileged Relation or (iv) a shareholder's pension fund, or (v) a shareholders' joint pension fund,

and the directors shall register any such transfer of shares forthwith following receipt.

12.2.2 Notwithstanding anything to the contrary contained in these articles, no transferor or proposed transferor of any shares the subject of any transfer referred to in articles 12.2.1.1 to 12.2.1.11 inclusive or article 12.4 shall be required to offer the shares which are or are to be transferred pursuant to those articles to the shareholders for the time being of the Company or any of them (whether under article 12.3 or otherwise), and no such shareholder shall have any right under these articles or under any agreement or otherwise to require those shares to be offered to or transferred to it whether for consideration or not.

### 12.3 Drag and Tag

12.3.1 If one or more shareholders together holding fifty percent (50%) or more of the shares in issue in the Company (a "**Majority Shareholder**" and collectively, the "**Majority Shareholders**") propose to transfer all of the shares held by them in a bona fide, arms length transaction to an independent third party where the consideration for the purchase of the shares under such transaction is certified by the Valuer as being the fair market value for the shares which the Majority Shareholder(s) propose to transfer, such Majority Shareholder(s) shall be entitled, on thirty (30) days' prior written notice to all of the other shareholders specifying the name and address of the proposed parties to such transaction and complete details of the terms and conditions thereof, to require each such other shareholder to Transfer all of the shares held by such shareholder to the same purchaser on the same terms and conditions as such Majority Shareholder(s) (save that no such dragged shareholder shall be required to give any warranties, representations, indemnities or other undertakings (including, without limitation any restrictive covenants) to the purchaser or any other party in connection with the Transfer) and at the same price per share (subject always to all parties to such Transfer observing and complying with the provisions as to allocation of proceeds set out in articles 27.4 to 27.6 (inclusive) ("**Drag-Along Notice**"). The closing of any transaction pursuant to this articles 12.3.1 shall be held at such time and place as the Majority Shareholder(s) shall reasonably specify (but in no event sooner than thirty (30) days after the delivery of the Drag-Along Notice) and at closing the dragged other shareholders shall, subject to the limitations in



this article 12.3.1, execute and deliver such documents as reasonably necessary to Transfer their shares to the purchaser.

12.3.2 For the purposes of article 12.3.1 any person that is connected with any Majority Shareholder of the Company (within the meaning of sections 1122 and 1123 Corporation Taxes Act 2010) shall not be regarded as an independent third party.

12.3.3 In the event that any shareholder ("**Seller**") proposes to Transfer any of the shares owned by them to any person (a "**Proposed Purchaser**"), then:

12.3.3.1 the relevant Seller(s) shall provide the other shareholders with written notice containing complete details of the terms and conditions of such proposed Transfer and the identity of the Proposed Purchaser at least thirty (30) days prior to the proposed date of completion of such proposed Transfer;

12.3.3.2 if on completion of the proposed transfer by the Seller(s), the Proposed Purchaser (together with shares held by it and persons connected with the Proposed Purchaser (within the meaning of sections 1122 and 1123 Corporation Taxes Act 2010)) would hold in excess of 50% of the shares in issue in the Company, then each of the remaining shareholders shall be entitled but shall not be obliged within 30 days of receipt of the notice under article 12.3.3.1 to elect by notice to the Seller(s) to exercise co-sale rights to transfer to the Proposed Purchaser either (i) all of their shares or (ii) the same proportion of their shares as is being sold by the Seller(s);

12.3.3.3 if on completion of the proposed transfer by the Seller(s), the Proposed Purchaser (together with shares held by it and persons connected with the Proposed Purchaser (within the meaning of sections 1122 and 1123 Corporation Taxes Act 2010)) (assuming that all co-sale rights under the operation of this article 12.3.3.3 are exercised in full) would hold 10% or more, but not more than 50% of the shares in issue in the Company then each of the remaining shareholders shall be entitled but shall not be obliged within 30 days of receipt of the notice under article 12.3.3.1 to elect by notice to the Seller(s) to exercise co-sale rights to transfer to the Proposed Purchaser such proportion of their shares as is equal to the proportion that the number of shares proposed to be transferred to the Proposed Purchaser by the Seller(s) bears to the number of shares then in issue.

- 12.3.4 If any co-sale rights are exercised pursuant to article 12.3.3, the Seller(s) shall not be permitted to transfer any shares to the Proposed Purchaser unless the Seller(s) ensures that the Proposed Purchaser will purchase the proportion of shares of the remaining shareholders the subject of the co-sale right notices under article 12.3.3 on the same terms and conditions as the Seller(s) (save that no remaining shareholder shall be required to give any warranties, representations, indemnities or other undertakings (including without limitation any restrictive covenants), other than in relation to their title to the shares in question and their capacity to transfer such shares) to the Proposed Purchaser or any other party in connection with the transfer) and at the same price per share (subject always to all parties to such Transfer observing and complying with the provisions as to allocation of proceeds set out in articles 27.4 to 27.6 (inclusive) such amount to be immediately payable in cash.
- 12.3.5 The closing of any transaction pursuant to article 12.3.3 shall be held at such time and place as the Seller(s) shall reasonably specify (but in no event sooner than thirty (30) days after the delivery of the initial notice of sale referred to in article 12.3.3) and at closing of the proposed Transfer the remaining shareholders shall, subject to the limitations set out in article 12.3.3, execute and deliver such documents as reasonably necessary to transfer the proportion of shares of the remaining Shareholders the subject of the co-sale right notices under article 12.3.3 to the Proposed Purchaser.
- 12.3.6 This article 12.3 shall not apply if a transfer by the Seller which would otherwise cause it to apply is to be made pursuant to articles 12.2.1.1 to 12.2.1.9 or 12.4.

## 12.4 **Compulsory Transfer**

In this article 12.4, a "**Transfer Event**" occurs, in relation to any shareholder:

### **Bankruptcy etc. of individual**

- 12.4.1 if that shareholder being an individual:
- 12.4.1.1 shall have a bankruptcy order made against him or shall be declared bankrupt by any court of competent jurisdiction; or
  - 12.4.1.2 shall make an offer to make any arrangement or composition with his creditors generally; or
  - 12.4.1.3 shall suffer from mental disorder and be admitted to hospital as a result of that mental disorder or shall become subject to any court order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have,

and in any such case and within the following six months either the Investor shall notify the Company or the directors (excluding any director nominated by the

shareholder in respect of which the relevant Transfer Event applies) shall resolve that such event is a Transfer Event in relation to that shareholder for the purposes of this article;

#### **Corporate dissolution or insolvency etc**

12.4.2 if that shareholder being a body corporate

12.4.2.1 shall have a receiver, manager or administrative receiver appointed over all or any part of its undertaking or assets;

12.4.2.2 shall have an administrator appointed in relation to it; or

12.4.2.3 shall enter into liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction); or

12.4.2.4 shall have any equivalent action in respect of it taken in any jurisdiction outside England and Wales,

and within the following six months either the Investor shall notify the Company or the directors (excluding any director nominated by the shareholder in respect of which the relevant Transfer Event applies) shall resolve that such event is a Transfer Event in relation to that shareholder for the purposes of this article;

#### **Material Breach by a Founder**

12.4.3 on a Material Breach by a Founder, in which case all of the Shares held by the Founders shall be deemed to be subject to a Transfer Event unless within the following six months the Investor shall notify the Company that such event is not a Transfer Event in relation to the Founders (or either of them) for the purposes of this article.

#### **Unauthorised attempted transfer**

12.4.4 if that shareholder shall attempt to Transfer any share or any interest in it other than in accordance with these articles and within the following six months the Investor shall notify the Company or the directors (excluding any director nominated by the shareholder in respect of which the relevant Transfer Event applies) shall resolve that such event is a Transfer Event in relation to that shareholder for the purpose of this article; or

#### **Consequences of Transfer Event determination**

12.4.5 Upon the making of a notification or resolution under article 12.4.1, 12.4.2, 12.4.3 or 12.4.4 that the same is a Transfer Event (as the case may be) the shareholder(s) in respect of whom it is a Transfer Event (the "**Deemed Transfer Shareholder**"), a Deemed Transfer Notice shall be deemed to have been served in respect of that shareholder's shares and the provisions of articles 12.4.6 to

12.4.9 below shall apply and the Deemed Transfer Shareholder shall not be entitled to otherwise transfer its shares (including pursuant to article 12.3).

#### **Disenfranchisement**

12.4.6 Notwithstanding any other provision of these articles, any shareholder holding Shares in respect of which a Deemed Transfer Notice is given shall not be entitled to exercise any voting rights at general meetings of the Company or execute any written resolution in respect of those shares (and any shares received thereafter by way of rights or on a capitalisation in respect of those Shares) and any director appointed by that shareholder pursuant to article 9.2 shall have no right to vote at any meeting of the directors (and, where the Transfer Event falls under article 12.4.3, neither Founder Director shall have the right to vote at any meeting of the directors) and will have no rights under articles 3.1, 3.2 or 3.3 (as appropriate) on and from the date of the relevant Deemed Transfer Notice until the earlier of the entry in the register of members of the Company in accordance with the articles of another person as the holder of those Shares or the agreed withdrawal of the Deemed Transfer Notice in respect of any such Shares. However, notwithstanding this article 12.4.6, a shareholder holding shares which are the subject of a Deemed Transfer Notice shall retain all rights to their pro-rata entitlement to participate in any new issue of shares pursuant to article 25 or to purchase shares being offered on a pro-rata basis pursuant to this article 12.4, provided that any new shares issued to or transferred to the Deemed Transfer Shareholder under such provisions shall also be subject to the disenfranchisement provisions of this article 12.4.6. Nothing in this article 12.4.6 shall prejudice the right of any such shareholder to receive his proportional entitlement to the proceeds of a Realisation Event in accordance with article 27.5.

#### **Offer for sale**

12.4.7 The shares the subject of any Deemed Transfer Notice shall be offered for sale as follows:

12.4.7.1 the Deemed Transfer Notice shall constitute the Company the agent of the Deemed Transfer Shareholder for the sale of all (but not some only) of the shares comprised in the Deemed Transfer Notice together with all rights then attached to them to any shareholder or shareholders (other than the Deemed Transfer Shareholder(s) ("**Purchasing Shareholders**") at the price specified in articles 12.4.7.6 and 12.4.7.7.

12.4.7.1.1 the shares comprised in any Deemed Transfer Notice shall be offered to the shareholders (other than the Deemed Transfer Shareholder) in accordance with article 12.4.7.2 as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (the "**Offer Notice**")

within seven days after date of the Deemed Transfer Notice, or where the Valuers are asked to report on the Fair Value, within seven days of the date of service of the Valuer's written report of the Fair Value. The Offer Notice shall:

- (i) state the identity of the Deemed Transfer Shareholder, the number of shares comprised in the Deemed Transfer Notice and the price per share specified in the Deemed Transfer Notice (determined in accordance with article 12.4.7.9 or article 12.4.7.10 (as appropriate)) and inform the shareholders that shares are offered to them in accordance with the provisions of this article 12.4;
- (ii) contain a statement to the effect that the shares are offered in the first instance in the proportion referred to in the opening sentence of this article 12.4.7.1.1 but go on to invite each shareholder to state in his reply whether he wishes to purchase more or less shares than his proportionate entitlement and if so what number; and
- (iii) state the date (being no more than 14 days from the date of the Offer Notice when acceptances must be received by the Company.

For the purpose of this article, an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a shareholder in respect of a lesser number of shares than his full proportionate entitlement.

12.4.7.2 Shares the subject of a Deemed Transfer Notice of a particular class specified in column (1) in the table below shall be treated as offered:

12.4.7.2.1 in the first instance, to all persons in the category set out in the corresponding line in column (2) in the table below;

12.4.7.2.2 to the extent not accepted by persons in column (2), to all persons in the category set out in the corresponding line in column (3) in the table below,

provided always that:

12.4.7.2.3 no Shares shall be treated as offered to the Deemed Transfer Shareholder or any other shareholder who is then bound to give, has given or is deemed to have given a Deemed Transfer Notice in respect of the shares registered in his name (for the purposes of this article 12.4 a "**Relevant Person**"); and

12.4.7.2.4 shares offered pursuant to this article 12.4 to a Relevant Person shall be treated as withdrawn prior to acceptance;

(1) Class of Sale Shares	(2) First Offer to	(3) Second Offer to
A Shares	A Shareholders	All other shareholders other than holders of D Shares
B Shares	B Shareholders	All other shareholders other than holders of D Shares
C Shares	C Shareholders	All other shareholders other than holders of D Shares
D Shares	Any employee benefit trust that may be established or appointed by the Company from time to time (if any)	All other shareholders
E Shares	E Shareholders	All other shareholders other than holders of D Shares
F Shares	the Founders and Nick Markham	All other shareholders other than holders of F Shares

12.4.7.3 If purchasing shareholders shall be found for all the shares comprised in the Deemed Transfer Notice within the appropriate period specified in article 12.4.7.1.1 the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (the "**Sale notice**") to the Deemed Transfer Shareholder specifying the purchasing shareholders and the number of shares to be purchased by each purchasing shareholders and the Deemed Transfer Shareholder shall be bound upon payment of the price due in respect of all the shares comprised in the Deemed Transfer Notice to transfer the shares to the purchasing shareholders.

- 12.4.7.4 If there are applications from any class of offerees for more than the number of shares comprised in the Deemed Transfer Notice available for that class of offerees, they shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any shareholder more shares than the maximum number applied for by him) to the number of shares of the class which entitles them to receive such offer then held by them respectively.
- 12.4.7.5 If it is not possible to allocate any of the shares the subject of a Deemed Transfer Notice without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the directors shall think fit.
- 12.4.7.6 If in any case the Deemed Transfer Shareholder after having become bound to transfer the shares in accordance with article 12.4 makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares on behalf of and as agent for the Deemed Transfer Shareholder in favour of the purchasing shareholders. The receipt of the Company for the purchase money shall be a good discharge to the purchasing shareholders. The company shall pay the purchase money into a separate bank account and shall hold the same on trust for the Deemed Transfer Shareholder.
- 12.4.7.7 A Deemed Transfer Notice shall not be revocable.
- 12.4.7.8 Subject to article 12.4.6, if the Company shall not give a Sale Notice to the Deemed Transfer Shareholder within the time specified above, the Deemed Transfer Shareholder may retain the shares for which purchasers are not found, provided that the directors may in their absolute discretion and if requested to do so by the Investor determine (subject to compliance with the relevant provisions of the Act) that the Company may purchase some or all of the shares the subject of a Deemed Transfer Notice for which a Sale Notice has not been served.
- 12.4.7.9 The price per share for any shares the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within articles 12.4.1, 12.4.2 or 12.4.3 shall be a price per share agreed between the Deemed Transfer Shareholder and the board with Investor Consent (unless the Investor is the Deemed Transfer Shareholder) or, in default of agreement, within 10 Business Days after the making of the notification or resolution that the same is a Transfer Event, the Fair Value;

12.4.7.10 The price per share for any shares the subject of a Deemed Transfer Notice given as a consequence of a Transfer Event falling within article 12.4.3 shall be the lower of:

- (i) £500 per share; and
- (ii) their Fair Value.

12.4.7.11 The Company shall use its reasonable endeavours to procure that the Valuers deliver their written opinion of the Fair Value to the directors and to the Deemed Transfer Shareholder within 20 Business Days of being requested to do so and the Valuer's fees shall be borne by the Deemed Transfer Shareholder.

#### **Dispute not to delay sale**

12.4.8 A dispute as to whether article 12.4.3 applies shall not affect the validity of a Deemed Transfer Notice but any person who is to acquire shares (the "**Purchaser**") pursuant to a Deemed Transfer Notice while such a dispute is continuing shall pay to the Company an amount equal the amount which would be due under article 12.4.7.7. The Company shall hold that amount in a separate interest-bearing bank deposit account as trustee to pay it back to the Purchaser or to the Deemed Transfer Shareholder (as appropriate), and interest earned thereon, upon final determination of the dispute and the subsequent transfer of the shares in question (to the extent that the dispute is found against the Deemed Transfer Shareholder).

#### **Redesignation**

12.4.9 Any share of any class transferred pursuant to this article 12.4 to a person holding shares of a different class shall automatically be redesignated as the class of shares already held by the transferee. If a person to whom shares are transferred does not already hold a particular class of shares, or if more than one class of shares are transferred to a particular person, that person may apply for their shares to be redesignated as a particular class, which application will be considered by the directors, but it shall be at the discretion of the directors as to how those shares are or may be redesignated.

### **13. SHARES: TRANSMISSION**

13.1 If title to a share passes to a Transmitttee, the Company may recognise only the Transmitttee as having any title to that share. Subject to these articles, a Transmitttee who produces such evidence of entitlement to shares as the directors may properly require may choose either to become the shareholder of those shares (and for the avoidance of doubt, article 12.1.4 shall not apply in such circumstances) or (subject to article 12.1.4) to have them transferred to another person, and subject to article 13.2 pending any transfer of the shares to another person, has the same rights as the shareholder had.



- 13.2 Subject to article 9.6, Transmittees do not have the right to attend or vote at a general meeting or to agree to a proposed written resolution, in respect of shares to which they are entitled by reason of a shareholder's death or bankruptcy or otherwise, unless they become the shareholders of those shares.
- 13.3 Transmittees who wish to become shareholders in relation to shares to which they have become entitled must notify the Company in writing of that wish. Transmittees who wish to have a share transferred to another person must execute an instrument of transfer in respect of it and any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the Transmitttee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.
- 13.4 If a notice is given to a shareholder in respect of shares and a Transmitttee is entitled to those shares, the Transmitttee is bound by the notice if it was given to the shareholder before the Transmitttee's name or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 13.3, has been entered in the register of members.

#### **14. DIVIDENDS AND OTHER DISTRIBUTIONS**

##### **14.1 Procedure for declaring dividends**

- 14.1.1 The Company may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.
- 14.1.2 No dividend may be declared or paid unless it is in accordance with shareholders' respective rights. Unless the shareholders' resolution to declare or the directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.
- 14.1.3 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.
- 14.1.4 If any share is issued on terms providing that such share shall be entitled to a dividend as if the nominal value of it were fully paid or partly paid from a particular date (in the past or future), then such share shall be entitled to a dividend on that basis.

##### **14.2 Payment of dividends and other distributions**

- 14.2.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:
- 14.2.1.1 transfer to a bank or building society account specified by the Distribution Recipient either in writing or as the directors may otherwise decide;

- 14.2.1.2 sending a cheque made payable to the Distribution Recipient by post (in accordance with article 24.4) to the Distribution Recipient at the Distribution Recipient's registered address (if the Distribution Recipient is the shareholder of the share), or (in any other case) to an address specified by the Distribution Recipient in writing or (where no such address has been specified) as the directors may otherwise decide;
  - 14.2.1.3 sending a cheque made payable to such person by post (in accordance with article 24.4) to such person at such address as the Distribution Recipient has specified in writing or (where no such address has been specified) as the directors may otherwise decide; or
  - 14.2.1.4 any other means of payment as the directors agree with the Distribution Recipient in writing.
- 14.2.2 In these articles, "**Distribution Recipient**" means, in respect of a share in respect of which a dividend or other sum is payable:
- 14.2.2.1 the shareholder of the share; or
  - 14.2.2.2 if the share has two or more joint shareholders, whichever of them is named first in the register of members; or
  - 14.2.2.3 if the shareholder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the Transmitttee.

#### 14.3 **No interest on distributions**

The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued, or the provisions of another agreement between the shareholder of that share and the Company.

#### 14.4 **Unclaimed distributions**

- 14.4.1 All dividends or other sums which are payable in respect of shares and which are unclaimed after having been declared or becoming payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it.
- 14.4.2 If twelve years have passed from the date on which a dividend or other sum became due for payment and the Distribution Recipient has not claimed it, the Distribution Recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

#### **14.5 Non-cash distributions**

- 14.5.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).
- 14.5.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including (where any difficulty arises regarding the distribution) fixing the value of any assets, paying cash to any Distribution Recipient on the basis of that value in order to adjust the rights of Distribution Recipients, and vesting any assets in trustees.

#### **14.6 Waiver of distributions**

Distribution Recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect prior to the declaration of a dividend by a general meeting, or the payment of an interim dividend decided on by the directors, but if the share has more than one shareholder, or more than one person is entitled to the share whether by reason of the death or bankruptcy of one or more joint shareholders or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the shareholders or persons otherwise entitled to the share.

#### **15. COMPANY'S LIEN**

- 15.1 The Company has a lien ("Company's lien") over every share which is not fully paid for any part of:

- 15.1.1 that share's nominal value; and

- 15.1.2 any premium at which it was issued,

which has not been paid to the Company, and which is payable immediately or at some time in the future, whether or not a call notice has been sent in respect of it.

- 15.2 The Company's lien over a share:

- 15.2.1 takes priority over any third party's interest in that share; and

- 15.2.2 extends to any dividends or other sums 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.

- 15.3 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.

#### **16. ENFORCEMENT OF THE COMPANY'S LIEN**

- 16.1 Subject to the provisions of this article, if:

- 16.1.1 a lien enforcement notice has been given in respect of a share; and
- 16.1.2 the person to whom the notice was given has failed to comply with it,  
the Company may sell that share in such manner as the directors decide.
- 16.2 A lien enforcement notice:
  - 16.2.1 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;
  - 16.2.2 must specify the share concerned;
  - 16.2.3 must be in writing and require payment of the sum payable within 14 clear days of the notice (that is, excluding the day on which the notice is given and the day on which that 14 day period expires);
  - 16.2.4 must be addressed either to the holder of the share or to a transmittee entitled to it; and
  - 16.2.5 must state the Company's intention to sell the share if the notice is not complied with.
- 16.3 Where shares are sold under this article:
  - 16.3.1 the directors may authorise any person to execute an instrument of transfer of the shares to the purchaser or a person nominated by the purchaser; and
  - 16.3.2 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.
- 16.4 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:
  - 16.4.1 first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice; and
  - 16.4.2 secondly, to the person entitled to the shares immediately before the sale, but only after the certificate for the 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 provided that the Company's lien shall also apply to such proceeds for any money payable in respect of the shares after the date of the lien enforcement notice.
- 16.5 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as applicable) and that a share has been sold to satisfy the Company's lien on a specified date:

- 16.5.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and
  - 16.5.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.
- 16.6 Call notices

Subject to the articles and the terms on which shares are allotted, the directors may send a notice (a "call notice") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "call") which is payable in respect of shares which that shareholder holds (whether solely or jointly with others) at the date when the directors decide to send the call notice.
- 16.7 A call notice:
  - 16.7.1 may not require a shareholder to pay a call which exceeds the total sum unpaid on that shareholder's shares (whether as to the share's nominal value or any amount payable to the Company by way of premium);
  - 16.7.2 must be in writing and state when and how any call to which it relates it is to be paid; and
  - 16.7.3 may permit or require the call to be paid by instalments.
- 16.8 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent (that is, excluding the day on which the call notice is given and the day on which that 14 day period expires).
- 16.9 Before the Company has received any call due under a call notice, the directors may:
  - 16.9.1 revoke it wholly or in part; or
  - 16.9.2 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.
- 16.10 Liability to pay calls
  - 16.10.1 Liability to pay a call is not extinguished or transferred by transferring the shares in respect of which it is required to be paid.
  - 16.10.2 Joint holders of a share are jointly and severally liable to pay all calls in respect of that share.
- 16.11 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:
  - 16.11.1 to pay calls which are not the same; or

16.11.2 to pay calls at different times.

16.12 When call notice need not be issued

16.12.1 A call notice need not be issued in respect of sums which are specified, in the terms on which a share is issued, as being payable to the Company in respect of that share (whether in respect of nominal value or premium):

16.12.1.1 on allotment;

16.12.1.2 on the occurrence of a particular event; or

16.12.1.3 on a date fixed by or in accordance with the terms of issue.

16.12.2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the share 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.

16.13 Failure to comply with call notice: automatic consequences

16.13.1 If a person is liable to pay a call and fails to do so by the call payment date:

16.13.1.1 the directors may issue a notice of intended forfeiture to that person; and

16.13.1.2 until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate.

16.14 For the purposes of this article:

16.14.1 "**call payment date**" means the time when the call notice states that a call is to be paid, unless the directors give a notice in writing specifying a later date, in which case the "**call payment date**" is that later date;

16.14.2 "**relevant rate**" means:

16.14.2.1 the rate fixed by the terms on which the share in respect of which the call is due was allotted;

16.14.2.2 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

16.14.2.3 if no rate is fixed in either of these ways, five per cent per annum.

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

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

**16.15 Notice of intended forfeiture**

A notice of intended forfeiture:

16.15.1 may be sent in respect of any share in respect of which a call has not been paid as required by a call notice;

16.15.2 must be in writing and sent to the holder of that share or to a transmittee entitled to it;

16.15.3 must require payment of the call and any accrued interest by a date which is not less than 14 clear days after the date of the notice (that is, excluding the day on which the notice is given and the day on which that 14 day period expires);

16.15.4 must state how the payment is to be made; and

16.15.5 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.

**16.16 Directors' power to forfeit shares**

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 such notice was given is forfeited, and the forfeiture is to include all dividends or other sums payable in respect of the forfeited shares and not paid before the forfeiture.

**16.17 Effect of forfeiture**

16.17.1 Subject to the articles, the forfeiture of a share extinguishes:

16.17.1.1 all interests in that share, and all claims and demands against the Company in respect of it; and

16.17.1.2 all other rights and liabilities incidental to the share as between the person whose share it was before the forfeiture and the Company.

16.17.2 Any share which is forfeited in accordance with the articles:

16.17.2.1 is deemed to have been forfeited when the directors decide that it is forfeited;

16.17.2.2 is deemed to be the property of the Company; and

16.17.2.3 may be sold, re allotted or otherwise disposed of as the directors think fit.

16.17.3 If a person's shares have been forfeited:

- 16.17.3.1 the Company must send that person notice in writing that forfeiture has occurred and record it in the register of members;
- 16.17.3.2 that person ceases to be a shareholder in respect of those shares;
- 16.17.3.3 that person must surrender the certificate for the shares forfeited to the Company for cancellation;
- 16.17.3.4 that person remains liable to the Company for all sums payable by that person under the articles at the date of forfeiture in respect of those shares, including any interest (whether accrued before or after the date of forfeiture); and
- 16.17.3.5 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.

16.17.4 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 due in respect of it and on such other terms as they think fit.

#### 16.18 Procedure following forfeiture

16.18.1 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.

16.18.2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary (as applicable) and that a share has been forfeited on a specified date:

16.18.2.1 is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share; and

16.18.2.2 subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the share.

16.18.3 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.

16.18.4 If the Company sells a forfeited share, the person who held it before its forfeiture is entitled to receive from the Company the net proceeds of such sale, after payment of the costs of sale and any other costs relating to the forfeiture of the share, and excluding any amount which:

16.18.4.1 was, or would have become, payable; and



16.18.4.2 had not, when that share was forfeited, been paid by that person in respect of that share,

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

#### 16.19 Surrender of shares

16.19.1 A shareholder may surrender any share:

16.19.1.1 in respect of which the directors may issue a notice of intended forfeiture;

16.19.1.2 which the directors may forfeit; or

16.19.1.3 which has been forfeited.

16.19.2 The directors may accept the surrender of any such share.

16.19.3 The effect of surrender on a share is the same as the effect of forfeiture on that share.

16.19.4 A share which has been surrendered may be dealt with in the same way as a share which has been forfeited.

### 17. CAPITALISATION OF PROFITS

17.1 Subject to these articles, the directors may, if they are so authorised by an ordinary resolution:

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

17.1.2 appropriate any sum which they so decide to capitalise ("capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend ("**persons entitled**") and in the same proportions.

17.2 Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them.

17.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

17.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

17.5 Subject to these articles the directors may:

- 17.5.1 apply capitalised sums in accordance with articles 17.3 and 17.4 partly in one way and partly in another;
- 17.5.2 make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments or ignoring fractions altogether); and
- 17.5.3 authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## **18. DECISION-MAKING BY SHAREHOLDERS: ORGANISATION OF GENERAL MEETINGS**

### **18.1 Attendance and speaking at general meetings**

- 18.1.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate orally to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 18.1.2 A person is able to exercise the right to vote at a general meeting when:
  - 18.1.2.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
  - 18.1.2.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 18.1.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 18.1.4 In determining attendance at a general meeting, it is immaterial whether any two or more members attending it are in the same place as each other.
- 18.1.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them. Such a meeting shall be deemed to take place where the largest group of those persons are assembled, or if there is no such group, where the chairman of the meeting is located.

## **18.2 Quorum for general meetings**

Unless the Company has only one shareholder or two shareholders, the quorum required at general meetings and adjourned meetings shall be any three qualifying persons present at the meeting one of whom shall be a member of the A Shareholder Majority (whilst the A Shares represent not less than 10% of the nominal value of the issued share capital of the Company), one of whom shall be a member of the B Shareholder Majority (for so long as the B Shares represent not less than 10% of the nominal value of the issued share capital of the Company) and one of whom shall be a member of the C Shareholder Majority (for so long as the C Shares represent not less than 10% of the nominal value of the issued share capital of the Company) unless: (a) each is a qualifying person only because he is authorised to act as the representative of a shareholder which is a corporation in relation to the meeting, and both are representatives of the same corporation; or (b) each is a qualifying person only because he is appointed as proxy of a shareholder in relation to the meeting, and both are proxies of the same shareholder. If and for so long as the Company has only one shareholder, one qualifying person present at the meeting shall be a quorum. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting or an adjourned meeting if the persons attending it do not constitute a quorum. For the purposes of this article 18.2 a **"qualifying person"** means (i) an individual who is a shareholder of the Company; (ii) a person authorised to act as the representative of a corporation who is a shareholder in relation to the meeting; or (iii) a person appointed as proxy of a shareholder in relation to the meeting.

## **18.3 Chairing general meetings**

If the directors have appointed a Chairman, the Chairman shall chair general meetings if present and willing to do so. If the directors have not appointed a Chairman, or if the Chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

18.3.1 the directors (or director if there is only one) present; or

18.3.2 (if no directors are present), any qualifying person (or if more than one) a majority of those qualifying persons present and entitled to vote at the meeting,

must appoint a director or qualifying person to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting. The person chairing a meeting in accordance with this article is referred to as "the chairman of the meeting".

## **18.4 Attendance and speaking by directors and non-shareholders**

Directors may attend and speak at general meetings, whether or not they are shareholders.

## **18.5 Notice deemed received**

A shareholder present either in person or by proxy, at any meeting of the Company shall be deemed to have received notice of the meeting and, where relevant, of the purposes for which it was called.

## **18.6 Adjournment**

- 18.6.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn the meeting, unless it was called at the request of the shareholders, in which case it must be dissolved. The chairman of the meeting must also adjourn a general meeting if directed to do so by a meeting at which a quorum is present.
- 18.6.2 The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment, or it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
- 18.6.3 When adjourning a general meeting, the chairman of the meeting must either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors, and have regard to any directions as to the time and place of any adjournment which have been given by the meeting (where that meeting is quorate).
- 18.6.4 Save where: (a) the adjournment is of a temporary nature lasting not more than half an hour; (b) the adjourned meeting is to be held in the same place as the original meeting; and (c) the chairman announces whilst a quorum is present the time at which the adjourned meeting shall start; at least 5 clear days' notice shall be given of every adjourned meeting. Such notice shall be given to the same persons to whom notice of the Company's general meetings is required to be given and shall specify the time and place of the meeting and the general nature of the business to be conducted. No further notice of an adjourned meeting is required.
- 18.6.5 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **19. DECISION-MAKING BY SHAREHOLDERS: VOTING AT GENERAL MEETINGS**

### **19.1 Voting: General**

A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with these articles.

### **19.2 Voting: Proxies**

- 19.2.1 Subject to article 19.2.2, on a vote on a resolution on a show of hands at a meeting, every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote.

- 19.2.2 On a vote on a resolution on a show of hands at a meeting, a proxy has one vote for and one vote against the resolution if the proxy has been duly appointed:
- 19.2.2.1 by more than one member entitled to vote on the resolution and the proxy has been instructed by one or more of those members to vote for the resolution and by one or more other of those members to vote against the resolution; or
  - 19.2.2.2 by a member entitled to vote on the resolution (and who holds the shares on behalf of two or more other persons) and the proxy has been instructed by that member to vote for the resolution in relation to some of the shares held by that member and against the resolution in relation to some other of the shares held by that member.
- 19.2.3 On a poll taken at a meeting of a company all or any of the voting rights of a member may be exercised by one or more duly appointed proxies.
- 19.2.4 Where a member appoints more than one proxy, article 19.2.3 does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

### **19.3 Errors and disputes**

No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any such objection must be referred to the chairman of the meeting, whose decision is final.

### **19.4 Poll Votes**

- 19.4.1 A poll on a resolution may be demanded in advance of the general meeting where it is to be put to the vote, or at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. Unless the chairman of the meeting determines it would be impractical or unfair to do so, polls must be taken immediately and shall be taken in such manner as the chairman of the meeting directs
- 19.4.2 A poll may be demanded by:
- 19.4.2.1 the chairman of the meeting;
  - 19.4.2.2 the directors;
  - 19.4.2.3 two or more persons having the right to vote on the resolution; or
  - 19.4.2.4 a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

- 19.4.3 A demand for a poll may be withdrawn if the poll has not yet been taken, and the chairman of the meeting consents to the withdrawal. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

## 19.5 Content of proxy notices

- 19.5.1 Proxies may only validly be appointed by a notice in writing ("**Proxy Notice**") which:
- 19.5.1.1 states the name and address of the shareholder appointing the proxy;
  - 19.5.1.2 identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
  - 19.5.1.3 where the proxy is not entitled to exercise the rights attaching to all of the shares held by that shareholder, identifies the number of shares in relation to which the proxy is entitled to exercise such rights;
  - 19.5.1.4 is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
  - 19.5.1.5 is delivered to the Company in accordance with these articles and any instructions contained in the notice of the general meeting to which they relate.

Only one proxy may be appointed in any Proxy Notice and a shareholder wishing to appoint more than one proxy must use a separate Proxy Notice for each appointment.

- 19.5.2 The directors may require Proxy Notices to be delivered in a particular form, and may specify different forms for different purposes. Proxy Notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions or may give the proxy discretion as to how to vote on one or more resolutions.
- 19.5.3 Unless a Proxy Notice indicates otherwise, it must be treated as:
- 19.5.3.1 allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting;
  - 19.5.3.2 appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself; and

- 19.5.3.3 allowing the person appointed under it as a proxy to exercise the rights attaching to all of the shares held by the shareholder appointing that person as a proxy and no person shall be entitled to challenge the validity of the exercise by such proxy of all those rights.

## **19.6 Delivery of proxy notices**

- 19.6.1 A Proxy Notice and any authority under which it is signed or otherwise authenticated in such a manner as the directors may determine (or a copy of such authority or other authentication certified notarially or by a solicitor or in some other way approved by the directors) may:

- 19.6.1.1 in the case of a Proxy Notice in hard copy form, be deposited at the registered office (or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any form of proxy sent out by the Company in relation to the meeting) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

- 19.6.1.2 in the case of a Proxy Notice sent by electronic means where an address has been given by the Company:

- 19.6.1.2.1 in the notice calling the meeting; or

- 19.6.1.2.2 in any form of proxy sent out by the Company in relation to the meeting; or

- 19.6.1.2.3 in any invitation to appoint a proxy issued by the Company in relation to the meeting,

be received at that address (subject to any conditions or limitations specified in the notice) at any time before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote; or

- 19.6.1.3 in the case of a poll taken after the date of the meeting or adjourned meeting, be deposited or received as aforesaid at any time before the time appointed for the taking of the poll,

and a Proxy Notice which is not deposited, delivered or received in a manner so permitted shall be invalid. Any valid Proxy Notice shall, unless stated to the contrary in it, be valid both for the relevant meeting and for any adjournment of that meeting. In this article 19.6, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.

- 19.6.2 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid Proxy Notice has been delivered to the Company by or on behalf of that person.
- 19.6.3 An appointment under a Proxy Notice may be revoked by delivering to the Company at the registered office or at any other place or address specified by the Company pursuant to article 19.6.1 in relation to the delivery of Proxy Notices for the particular meeting concerned, a notice of revocation of authority in writing given by or on behalf of the person by whom or on whose behalf the Proxy Notice was given.
- 19.6.4 A notice revoking a proxy appointment or the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006, only takes effect if it is delivered before the start 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 at which the poll was demanded) before the time appointed for taking the poll to which it relates.
- 19.6.5 Subject to article 19.6.4, the provisions of sections 330(1) to (4) inclusive Companies Act 2006 shall apply mutatis mutandis to any termination of the authority of a person authorised by a corporation pursuant to section 323(1) Companies Act 2006.
- 19.6.6 If a Proxy Notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

## **20. COMPANY SECRETARY**

The Company shall not be required to have a secretary, but may choose to have one. Any Company Secretary shall be appointed by the directors for such term and at such remuneration and upon such conditions as they think fit, and any Company Secretary so appointed may be removed by them.

## **21. AUTHENTICATION**

Any director or the Company Secretary or any person appointed by the directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions of the Company or decisions of the directors or any committee of the directors, and any books, records, documents and accounts relating to the business of the Company, and to certify copies of, or extracts from, them as true copies or extracts. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the directors or any committee of the directors which is certified in accordance with this article shall be conclusive evidence in favour of a person dealing with the Company upon the faith of that document that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of proceedings at a duly constituted meeting.



## **22. COMPANY SEALS**

22.1 Any common seal may only be used by the authority of the directors and the directors may decide by what means and in what form any common seal is to be used.

22.2 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purposes of this article, an authorised person is:

22.2.1 any director of the Company;

22.2.2 the Company Secretary; or

22.2.3 any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

## **23. PROVISION FOR EMPLOYEES ON THE CESSATION OF BUSINESS**

The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary.

## **24. NOTICES AND COMMUNICATIONS**

24.1 Except as otherwise provided in these articles and subject to article 24.4, any document or information to be given, sent or supplied under these articles by the Company shall be given, sent or supplied in any way in which the Company may send or supply documents or information generally to the intended recipient under schedule 5 of the Companies Act 2006 (which may include, without limitation, in hard copy form, in electronic form or by making it available on a website) subject to, and in accordance with, the requirements of that schedule.

24.2 Except as otherwise provided in these articles and subject to article 24.4, any document or information to be given, sent or supplied under these articles to the Company shall be given, sent or supplied in English and otherwise in any way in which documents or information generally may be sent or supplied by the sender to the Company under schedule 5 of the Companies Act 2006 (where the sender is a body corporate) or schedule 4 of the Companies Act 2006 (in all other cases) subject to, and in accordance with, the requirements of schedule 4 or schedule 5 of the Companies Act 2006, as applicable.

24.3 Articles 24.1 and 24.2 shall apply whether the document or information is authorised or required to be sent or supplied by the Companies Acts or otherwise. References in this article 24 to documents or information being given, sent or supplied by or to the Company include references to documents or information being given, sent or supplied by or to the directors of the Company acting on the Company's behalf.

- 24.4 Articles 24.1 and 24.2 shall apply as if schedules 4 and 5 of the Companies Act 2006 required documents and information sent by post to be sent by prepaid first class post or (in the case of a registered address outside the United Kingdom) by prepaid airmail.
- 24.5 In the case of joint shareholders of a share, all notices, documents and information shall be given to the joint shareholder whose name stands first in the register of members in respect of the joint shareholding and any notices, documents and information so given shall be sufficiently given to all the joint shareholders. A shareholder whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices, documents or information may be given to him, or an address to which notices, documents or information may be sent by electronic means, shall be entitled to have such notices, documents or information given to him at that address.
- 24.6 In the case of the death or bankruptcy of a shareholder, the Company shall not be obliged to send any documents or information to an address provided to the Company by the Transmitttee(s) of such shareholder unless such Transmitttee(s) has also provided the directors with such evidence of the entitlement of the Transmitttee(s) to those shares as the directors shall in their absolute discretion require. Nothing in this article shall require the directors to investigate the entitlement of any person claiming to be a Transmitttee of a shareholder.
- 24.7 Proof that an envelope containing a notice, document or information was properly addressed, prepaid first class and posted shall be conclusive evidence that the notice, document or information was given. Proof that a notice, document or information sent by electronic means was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice, document or information was sent or given. The board may require authentication of any document or information given, sent or supplied to the Company in electronic form in such manner as it may determine.
- 24.8 Section 1147 of the Companies Act 2006 shall not apply to documents or information sent by or to the Company for the purposes of the Companies Acts or these articles.
- 24.9 In this article 24, "address" includes a number or address used for the purposes of sending or receiving documents or information by electronic means.
- 24.10 Nothing in these articles shall affect any legal requirement that any particular notice or other document be served in any particular manner.

## **25. INDEMNITIES AND FUNDING OF PROCEEDINGS**

- 25.1 Subject to the provisions of and so far as may be consistent with the Companies Act 2006:
- 25.1.1 the directors may exercise all the powers of the Company to indemnify any person who is, or was at any time a director of the Company or any of its associated companies, against all liabilities incurred by or attaching to him in connection with his duties, powers or office in relation to any such company of which he is or was a director, to the fullest extent permitted by law;

25.1.2 where the Company or any of its associated companies is or was at any time a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006 as amended, modified or re-enacted from time to time), the directors may exercise all the powers of the Company to indemnify any person who is or was at any time a director of that company against all liabilities incurred by him in connection with that company's activities as trustee of the occupational pension scheme, to the fullest extent permitted by law; and

25.1.3 the directors may exercise all the powers of the Company to provide any director of the Company or of its holding company with funds to meet expenditure incurred or to be incurred by him of the kind referred to in sections 205(1)(a) and 206(a) of the Companies Act 2006 as amended, modified or re-enacted from time to time and otherwise take any action to enable any such director to avoid incurring such expenditure, to the fullest extent permitted by law;

and in this article 25.1 the term "**associated company**" shall have the meaning given in section 256(b) Companies Act 2006 as amended, modified or re-enacted from time to time.

## 26. **INSURANCE**

26.1 Without prejudice to article 25, the directors may exercise all the powers of the Company to purchase and maintain insurance for, or for the benefit of, any person who is or was at any time:

26.1.1 a director of any Relevant Company; or

26.1.2 a trustee of any pension fund or retirement, death or disability scheme for the benefit of any employee of any Relevant Company or of any employees' share scheme in which employees of any such Relevant Company are interested;

including (without limitation) insurance against any liability referred to in article 25 attaching to him in relation to any Relevant Company, or any such pension fund, retirement or other scheme or employees' share scheme.

26.2 In article 26.1, "**Relevant Company**" means the Company or any other undertaking which is or was at any time:

26.2.1 the holding company of the Company; or

26.2.2 a subsidiary of the Company or of such holding company; or

26.2.3 a company in which the Company has an interest (whether direct or indirect).

## 27. **SHARE RIGHTS**

27.1 Issue and allotment of shares

27.1.1 Subject to article 27.1.2, all shares which the directors propose to issue shall first be offered to the shareholders in proportion to the nominal value of the existing

shares held by them respectively and at the same price in respect of each share or numbers of shares that represent the same nominal value. Each such offer shall be made by notice specifying the total number of shares being offered to the shareholders as a whole, the proportionate entitlement of the shareholder to whom the offer is made and the price per share and shall require each shareholder to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said shares. An offer, if not accepted within the period specified as regards any shares, will be deemed to be declined as regards those shares. After the expiration of such period, those shares so deemed to be declined shall be offered in the same manner as set out above to the persons who have, within the specified period, accepted all the shares offered to them; such further offer shall be made in the same terms and in the same manner and limited by the same period as the original offer. Any shares not accepted pursuant to such offer or further offer as referred to in this article 27.1.1 or not capable of being offered pursuant to that offer shall be dealt with in accordance with article 25.1.2 below. No share shall be issued at a discount or otherwise in breach of the provisions of these articles or of the Act.

27.1.2 Any shares not taken up at the end of the procedure set out in article 25.1.1 may be offered by the directors to a third party (to be approved by a special resolution of the A, B, C and E shareholders of the Company) and, subject to these articles and the provisions of section 551 of the Companies Act 2006, such shares will be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms as they think fit. However:

27.1.2.1 no shares will be issued at a discount;

27.1.2.2 no shares will be issued more than three months after the end of the period for acceptance of the last offer of such shares under article 25.1.1 unless the procedure set out in that article is repeated in respect of such shares; and

27.1.2.3 no shares will be issued on terms which are more favourable than those on which they were offered to the shareholders.

27.1.3 Article 27.1.1 shall not apply in respect of:

27.1.3.1 Any issue and allotment of shares to the Investor (or its nominee) that is in accordance with, and at the subscription price specified in, the Investment Agreement; and/or

27.1.3.2 any grant of an option or right (and any subsequent exercise of any such right) to subscribe for D Shares up to a maximum aggregate nominal value of £0.6504334 and/or

- 27.1.3.3 any grant of an option or right (and any subsequent exercise of any such right) to subscribe for F Shares up to a maximum aggregate nominal value of £3.923

#### **Income**

- 27.2 The holders of the A Shares, the B Shares, the C Shares, the D Shares, the E Shares and the F Shares shall participate *pari passu* by reference to the nominal value of each such share, in any dividend that is declared by the Company.

#### **Voting**

- 27.3 Subject to article 12.4.6, the holders of A Shares, B Shares, C Shares and E Shares shall be entitled to vote at a general meeting on a show of hands, or on a poll, or by written resolution, save that every 10 D Shares shall carry the same right to 1 vote on a poll carried by each A Share, B Share, C Share and E Share.

#### **Capital**

- 27.4 The B Shares shall carry a preferential return on a return of capital in accordance with these articles.
- 27.5 On the occurrence of a Realisation Event, the Realisation Proceeds shall be applied as follows:
- 27.5.1 first, but subject always to the provisions of article 27.5.3, the holders of A, B, C, D and E Shares shall be entitled to the Realisation Proceeds up to and equal to an amount equalling the Funds Raised (as defined below) *pro rata* according to the percentage that the nominal value of such shares held by each such shareholder bears to the total nominal value of all shares of those classes then in issue; and
- 27.5.2 second, after the application of article 27.5.1, the holders of B Shares shall, as a class be entitled to receive an amount equal to 15% of the result of deducting the Funds Raised from the Realisation Proceeds up to a maximum such amount of £2,500,000, such amount being distributed among the B shareholders *pro rata* according to the percentage that the nominal value of B shares held by each B shareholder bears to the total nominal value of B shares then in issue;
- 27.5.3 third, the holders of F Shares shall, as a class be entitled to receive an amount equal to the F Portion of the Realisation Proceeds, such amount being distributed among the F Shareholders *pro rata* according to the percentage that the nominal value of F shares held by each F shareholder bears to the total nominal value of F shares then in issue;
- 27.5.4 fourth, the holders of A, B, C, D and E Shares shall be entitled to share the remaining balance of any Realisation Proceeds, after the application of articles 27.5.1, 27.5.2 and 27.5.3, *pro rata* according to the percentage that the nominal

value of such shares held by each such shareholder bears to the total nominal value of all shares of those classes then in issue;

27.5.5 for the avoidance of doubt, the holders of F shares shall not be entitled to participate under articles 27.5.1, 27.5.2 and 27.5.4.; and

27.5.6 for the purpose of this clause 27.5, "Funds Raised" means an initial sum of £10,000,000 plus the total of all funds raised by the Company for or relating to any equity investment in the Company together with all associated costs (including but not limited to convertible debt and the premiums paid on any share subscription).

By way of illustration, assuming Realisation Proceeds of £60,000,000; Funds Raised of £50,000,000; and an F Portion of £ 2,305,454 the entitlements of shareholders would be as follows:

- (i) under article 27.5.3 to the F shareholders - £ 2,305,454; and (ii) under article 27.5.1 to the A, B, C, D and E shareholders - £ 47,694,546
- under article 27.5.2 to the B shareholders - £1,500,000
- under article 27.5.4 to the A, B, C, D and E shareholders - £8,500,000

by way of further illustration, assuming Realisation Proceeds of £100,000,000; Funds Raised of £60,000,000; and an F Portion of £ 8,404,506 the entitlements of shareholders would be as follows:

- (i) under article 27.5.3 to the F shareholders - £ 8,404,506; and (ii) under article 27.5.1 to the A, B, C, D and E shareholders - £ 51,595,494
- under article 27.5.2 to the B shareholders - £2,500,000
- under article 27.5.4 to the A, B, C, D and E shareholders - £37,500,000

27.6 On the occurrence of a winding-up, the surplus assets of the Company remaining after payment of its liabilities and available for distribution among the shareholders ("Surplus Assets") shall be applied as follows:

27.6.1 first, the holders of A, B, C, D, E and F Shares shall be entitled to the Surplus Assets up to and equal to an amount equalling the Funds Raised pro rata according to the percentage that the nominal value of such shares held by each such shareholder bears to the total nominal value of all shares of those classes then in issue; and

27.6.2 second, after the application of article 27.6.1 and save to the extent that the holders of B Shares have received an amount under article 27.5.2, the holders of B Shares shall, as a class be entitled to receive an amount equal to 15% of the result of deducting the Funds Raised from the Surplus Assets up to a maximum such amount of £2,500,000, such amount being distributed among the

B shareholders pro rata according to the percentage that the nominal value of B shares held by each B shareholder bears to the total nominal value of B shares then in issue;

- 27.6.3 third, the holders of F Shares shall, as a class be entitled to receive an amount equal to the F Portion of the Surplus Assets (but less the total amounts paid to the F shareholders as a class under article 27.5.3), such amount being distributed among the F Shareholders pro rata according to the percentage that the nominal value of F shares held by each F shareholder bears to the total nominal value of F shares then in issue (and provided that for this purpose the words "Surplus Assets" were substituted for the words "Realisation Proceeds" and the words "winding-up" were substituted for the words Realisation Event" in the definition of "F Portion");
- 27.6.4 fourth, the holders of A, B, C, D, E and F Shares shall be entitled to share the remaining balance of any Surplus Assets, after the application of articles 27.6.1, 27.6.2 and 27.6.3, pro rata according to the percentage that the nominal value of such shares held by each such shareholder bears to the total nominal value of all shares of those classes then in issue; and
- 27.6.5 for the purpose of this clause 27.6, "Funds Raised" means an initial sum of £10,000,000 plus the total of all funds raised by the Company for or relating to any equity investment in the Company together with all associated costs (including but not limited to convertible debt and the premiums paid on any share subscription).

## **Articles**

- 27.7 None of the provisions of articles 27.4, 27.5, 27.6 and/or 27.7 of the articles of association of the Company may be modified, varied, abrogated or disapplied in any manner without obtaining B Shareholder consent.

## **SCHEDULE 1**

### **Part 1 – Matters requiring consent of the Founders under article 3.1**

1. Any sale of any subsidiary or other investment of the Company or any sale of part or all of the Company's business and assets or those of any Group Company outside the normal course of business of the Company.
2. Any acquisition by any Group Company outside the normal course of business.
3. Any change to the nature of the Company's business and of any business carried on by any Group Company.
4. Any sale or grant of rights to any party in respect of any intellectual property owned or used by the Company or any Group Company.
5. The Company or any Group Company employing senior employees at a basic salary above £75,000.
6. The Company or any Group Company changing their professional advisers/Auditors
7. An increase in the monitoring fee referred to in clause 27.2 of the Investment Agreement, any consent under article 3.1 not to be unreasonably withheld or delayed.
8. Alter the articles of association of the Company or any Group Company.



## **Part 2 - Matters requiring B Shareholder consent under article 3.2**

1. Allow the Founders to invest in any other company or partnership which competes with, is a supplier to or is a licensee of, the Company or any Group Company while they are employed by the Company and for a period of six (6) months after they cease to be so employed where their employment ceases as a result of their resignation, except for investments not exceeding 1% of any class of security that is listed.
2. Expand or develop the business of the Company or any Group Company except through itself.
3. Enter into any agreement with any of the directors or shareholders of the Company other than an agreement on arm's length terms in the ordinary course of business.
4. Change the accounting policies or principles adopted by the Company or any Group Company save as may be required from time to time to comply with legal requirements or with Statements of Standard Accounting Practice and Financial Reporting Standards.
5. Create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest over any part of its undertaking or assets of the Company or any Group Company (other than by way of retention of title provisions arising in the ordinary course of the business of the Company).
6. Sell, dispose or grant any option or right of pre-emption over any asset of the Company or any Group Company.
7. Alter the articles of association of the Company or any Group Company.
8. Grant any new share options or adopt any new share option scheme other than the Employee Option Scheme or the grant of any options by the Company where any shares to be transferred on the exercise of such option are to be satisfied by a shareholder.
9. Raise any indebtedness other than by way of trade credit on normal commercial terms and in the ordinary course of business, or the variation or termination of any such indebtedness.
10. Amend the dividend policy referred to in the Investment Agreement.
11. Enter into any contract, commitment or arrangement or create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
12. Enter into any partnership or joint venture arrangement with any person which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
13. Allow any director of the Company or any Group Company to delegate any of their powers to a committee or establish or vary the membership, or terms of reference of, any such committee.
14. Incorporate any new subsidiary undertaking of the Company or any Group Company.

15. Acquire (however effected) an interest in any shares in the capital of any body corporate, or in any instrument convertible into the share capital of any body corporate or the establishment of a branch outside the United Kingdom or acquire any other interest in a company, business, undertaking or concern, including the acquisition of any share or marketable security which is traded on a recognised investment exchange or any other public securities market which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
16. Make any amalgamation, demerger, merger, corporate reconstruction or consolidation of the Company or any Group Company however effected.
17. Making any loans other than to employees up to an aggregate amount of £10,000 in any one financial year, with no one loan being for more than £5,000.
18. Employing a senior employee at a basic salary above £75,000.
19. The Company taking any action with a view to commencing winding up, administration or receivership proceedings (or any analogous proceedings in any jurisdiction) against the Company or any Group Company other than where failure to do so would be a breach of the Insolvency Act 1986.
20. An increase in the monitoring fee referred to in clause 27.2 of the Investment Agreement, any consent not to be unreasonably withheld or delayed.

### **Part 3 - Matters requiring Investor Consent under article 3.3**

1. Allow the Founders to invest in any other company or partnership which competes with, is a supplier to or is a licensee of, the Company or any Group Company while they are employed by the Company and for a period of six (6) months after they cease to be so employed where their employment ceases as a result of their resignation, except for investments not exceeding 1% of any class of security that is listed.
2. Expand or develop the business of the Company or any Group Company except through itself.
3. Enter into any agreement with any of the directors or shareholders of the Company other than an agreement on arm's length terms in the ordinary course of business.
4. Change the accounting policies or principles adopted by the Company or any Group Company save as may be required from time to time to comply with legal requirements or with Statements of Standard Accounting Practice and Financial Reporting Standards.
5. Create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest over any part of its undertaking or assets of the Company or any Group Company (other than by way of retention of title provisions arising in the ordinary course of the business of the Company).
6. Sell, dispose or grant any option or right of pre-emption over any asset of the Company or any Group Company.
7. Alter the articles of association of the Company or any Group Company.
8. Grant any new share options or adopt any new share option scheme other than the Employee Option Scheme or the grant of any options by the Company where any shares to be transferred on the exercise of such option are to be satisfied by a shareholder.
9. Raise any indebtedness other than by way of trade credit on normal commercial terms and in the ordinary course of business, or the variation or termination of any such indebtedness.
10. Amend the dividend policy referred to in the Investment Agreement.
11. Enter into any contract, commitment or arrangement or create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
12. Enter into any partnership or joint venture arrangement with any person which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
13. Allow any director of the Company or any Group Company to delegate any of their powers to a committee or establish or vary the membership, or terms of reference of, any such committee.
14. Incorporate any new subsidiary undertaking of the Company or any Group Company.

15. Acquire (however effected) an interest in any shares in the capital of any body corporate, or in any instrument convertible into the share capital of any body corporate or the establishment of a branch outside the United Kingdom or acquire any other interest in a company, business, undertaking or concern, including the acquisition of any share or marketable security which is traded on a recognised investment exchange or any other public securities market which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
16. Make any amalgamation, demerger, merger, corporate reconstruction or consolidation of the Company or any Group Company however effected.
17. Making any loans other than to employees up to an aggregate amount of £10,000 in any one financial year, with no one loan being for more than £5,000.
18. Employing a senior employee at a basic salary above £75,000.
19. Capital expenditure by the Company or any Group Company (in excess of £10,000 above any amount specified in the current 2 year business plan, and any future version of such business plan/budget as agreed between the Company and the Investor).
20. The Company or any Group Company taking a leasehold or other interest in land or real property.
21. The Company or its Group Company changing their professional advisers/Auditors.
22. The variation to or termination of the Licence, or any action or omission that constitutes a breach of the terms of the Licence by the Company or is likely to result in the Licence being terminated.
23. The Company taking any action with a view to commencing winding up, administration or receivership proceedings (or any analogous proceedings in any jurisdiction) against the Company or any Group Company other than where failure to do so would be a breach of the Insolvency Act 1986.
24. Call a meeting for the purpose of considering a resolution for:
  - a. any reduction of the share capital of the Company or any Group Company requiring the confirmation of the court;
  - b. any resolution to liquidate or wind-up the Company or any Group Company;
  - c. any application to have an administrator appointed to the Company or any Group Company;
  - d. any purchase or redemption by the Company or any Group Company of its own shares;
  - e. any alteration to the accounting reference date of the Company or any Group Company;
  - f. the removal of the auditors of the Company or any Group Company; or

- g. any application by the Company or any Group Company to the Secretary of State to appoint one or more inspectors to investigate the affairs of the Company or any Group Company.

#### **Part 4 - Matters requiring E Shareholder Majority Consent under article 3.4**

1. Allow the Founders to invest in any other company or partnership which competes with, is a supplier to or is a licensee of, the Company or any Group Company while they are employed by the Company and for a period of six (6) months after they cease to be so employed where their employment ceases as a result of their resignation, except for investments not exceeding 1% of any class of security that is listed.
2. Expand or develop the business of the Company or any Group Company except through itself.
3. Enter into any agreement with any of the directors or shareholders of the Company other than an agreement on arm's length terms in the ordinary course of business.
4. Change the accounting policies or principles adopted by the Company or any Group Company save as may be required from time to time to comply with legal requirements or with Statements of Standard Accounting Practice and Financial Reporting Standards.
5. Create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest over any part of its undertaking or assets of the Company or any Group Company (other than by way of retention of title provisions arising in the ordinary course of the business of the Company).
6. Sell, dispose or grant any option or right of pre-emption over any asset of the Company or any Group Company.
7. Alter the articles of association of the Company or any Group Company.
8. Grant any new share options or adopt any new share option scheme other than the Employee Option Scheme or the grant of any options by the Company where any shares to be transferred on the exercise of such option are to be satisfied by a shareholder.
9. Raise any indebtedness other than by way of trade credit on normal commercial terms and in the ordinary course of business, or the variation or termination of any such indebtedness.
10. Amend the dividend policy referred to in the Investment Agreement.
11. Enter into any contract, commitment or arrangement or create any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
12. Enter into any partnership or joint venture arrangement with any person which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
13. Allow any director of the Company or any Group Company to delegate any of their powers to a committee or establish or vary the membership, or terms of reference of, any such committee.
14. Incorporate any new subsidiary undertaking of the Company or any Group Company.

- 
15. Acquire (however effected) an interest in any shares in the capital of any body corporate, or in any instrument convertible into the share capital of any body corporate or the establishment of a branch outside the United Kingdom or acquire any other interest in a company, business, undertaking or concern, including the acquisition of any share or marketable security which is traded on a recognised investment exchange or any other public securities market which is or is likely to be outside the ordinary and normal course of trading or otherwise than at arms' length.
  16. Make any amalgamation, demerger, merger, corporate reconstruction or consolidation of the Company or any Group Company however effected.
  17. Making any loans other than to employees up to an aggregate amount of £10,000 in any one financial year, with no one loan being for more than £5,000.
  18. Employing a senior employee at a basic salary above £75,000.
  19. Capital expenditure by the Company or any Group Company (in excess of £10,000 above any amount specified in the current 2 year business plan, and any future version of such business plan/budget as agreed between the Company and the Investor).
  20. The Company or any Group Company taking a leasehold or other interest in land or real property.
  21. The Company or its Group Company changing their professional advisers/Auditors.
  22. The variation to or termination of the Licence, or any action or omission that constitutes a breach of the terms of the Licence by the Company or is likely to result in the Licence being terminated.
  23. The Company taking any action with a view to commencing winding up, administration or receivership proceedings (or any analogous proceedings in any jurisdiction) against the Company or any Group Company other than where failure to do so would be a breach of the Insolvency Act 1986.
  24. An increase in the monitoring fee referred to in clause 27.2 of the Investment Agreement, any consent not to be unreasonably withheld or delayed.
  25. Call a meeting for the purpose of considering a resolution for:
    - a. any reduction of the share capital of the Company or any Group Company requiring the confirmation of the court;
    - b. any resolution to liquidate or wind-up the Company or any Group Company;
    - c. any application to have an administrator appointed to the Company or any Group Company;
-

- d. any purchase or redemption by the Company or any Group Company of its own shares;
- e. any alteration to the accounting reference date of the Company or any Group Company;
- f. the removal of the auditors of the Company or any Group Company; or
- g. any application by the Company or any Group Company to the Secretary of State to appoint one or more inspectors to investigate the affairs of the Company or any Group Company