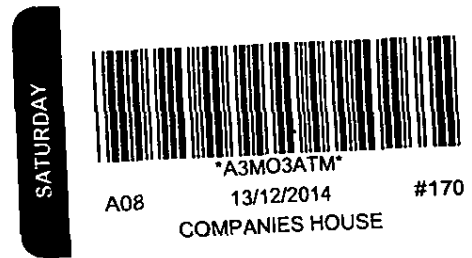


Company number 07627374



PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION

of

PLAYCANVAS LIMITED (the "Company")

Circulation Date 3rd November 2014

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "**2006 Act**"), the directors of the Company propose that the following resolutions are passed as special resolutions (the "**Resolutions**")

SPECIAL RESOLUTIONS

1. Disapplication of pre-emption rights

THAT, in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall

- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £200, and
- (b) expire five years from the date of this resolution (unless renewed, varied or revoked by the Company prior to or on that date), save that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired


2. Adoption of New Articles of Association


THAT the new articles of association, a copy of which are attached to this resolution and initialled by the Chairman for the purposes of identification (the "**New Articles**"), be adopted as the articles of association of the Company in substitution for the existing articles of association

AGREEMENT

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

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

Signed by 
Print Name DAVID EVANS
Date 12/11/14

Signed by 
Print Name WILLIAM EASTCOTT
Date 12/11/14

Signed by
Print Name
Date

NOTES

- 1 You can choose to agree to all of the Resolutions or none of them but you cannot agree to only some of the Resolutions. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company using one of the following methods:
 - (a) By Hand delivering the signed copy to PlayCanvas Limited, c/o Ben Manners, Ingram Winter Green Solicitors, 21A John Street, London, WC1N 2BF
 - (b) Post returning the signed copy by post to PlayCanvas Limited, c/o Ben Manners, Ingram Winter Green Solicitors, 21A John Street, London, WC1N 2BF.
 - (c) Fax faxing the signed copy to +44 (0) 20 7845 7401 marked "For the attention of Ben Manners"
 - (d) E-mail by attaching a scanned copy of the signed document to an e-mail and sending it to benmanners@iwg.co.uk. Please enter "Written resolutions – PlayCanvas" in the e-mail subject box.

If you do not agree to the Resolutions, you do not need to do anything you will not be deemed to agree if you fail to reply
- 2 Once you have indicated your agreement to the Resolutions, you may not revoke your agreement
- 3 Unless, within 28 days of the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date. Your agreement to the proposed resolutions will be ineffective if received by the Company after that date.
- 4 In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members
- 5 If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document

THE COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

PLAYCANVAS LIMITED (the "Company")

(Adopted by special resolution passed on 12 November 2014)

INTRODUCTION

1. Interpretation

1.1 The following definitions and rules of interpretation shall apply in these Articles

"Act"	means the Companies Act 2006
"Articles"	means the Company's articles of association for the time being in force
"Business Day"	means a day other than a Saturday, Sunday or public holiday in England on which banks in London are open for business
"Conflict"	means a situation in which a director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company
"Eligible Director"	means a director who would be entitled to vote on the matter at a meeting of directors (but excluding any director whose vote is not to be counted in respect of the particular matter)
"Group"	means the Company, any subsidiary or any holding company of the Company from time to time, and any subsidiary from time to time of a holding company and member of the Group shall mean any of them

"holding company" has the meaning given in article 1 6

"Model Articles" means the model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 (*SI 2008/3229*), as amended prior to the date of adoption of these Articles and reference to a numbered **Model Article** is a reference to that article of the Model Articles

"subsidiary" has the meaning given in article 1 6

1 2 Unless expressly provided otherwise in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles. The final paragraph of Model Article 1 shall not apply to the Company

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

1 4 A reference in these Articles to a numbered **Article** is a reference to the relevant article of these Articles unless expressly provided otherwise

1 5 Unless expressly provided otherwise in these Articles, a reference to a statute, statutory provision or subordinate legislation is a reference to it as it is in force from time to time, taking account of

(a) any subordinate legislation made under it, whether before or after the date of adoption of these Articles, and

(b) any amendment or re-enactment, whether before or after the date of adoption of these Articles and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

This article 1 5 shall not apply to the definition of **Model Articles** in article 1 1

1 6 A reference to a **holding company** or **subsidiary** means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Act and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), by way of security or in connection with the taking of security, or (b) its nominee

- 1 7 Any words following the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms
- 1 8 Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them
- 1 9 The Model Articles shall apply to the Company, except in so far as they are modified or excluded by, or are inconsistent with, these Articles
- 1 10 Model Articles 8(3), 11(2) and (3), 14(1), (2), (3) and (4), 38, 52 and 53 shall not apply to the Company
- 1 11 Model Article 7 shall be amended by
- (a) the insertion of the words "for the time being" at the end of Model Article 7(2)(a), and
 - (b) the insertion in Model Article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1 12 In Model Article 8(2), the words "copies of which have been signed by each eligible director" shall be deleted and replaced with the words "of which each Eligible Director has signed one or more copies"
- 1 13 Model Article 20 shall be amended by the insertion of the words "and the company secretary (if any)" before the words "properly incur"
- 1 14 In Model Article 25(2)(c), the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1 15 In Model Article 30(4), the words "the terms on which shares are issued" shall be deleted and replaced with "the rights attached to any shares"
- 1 16 In Model Article 32(a), the words "the terms on which the share was issued" shall be deleted and replaced with "the rights attached to the share"
- 1 17 Model Article 44(3) shall be amended by the insertion of the words "A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made" as a new paragraph at the end of that Model Article

DIRECTORS

2. Quorum for directors' meetings

- 2 1 Subject to article 2 2, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors or, where there is only one director in office for the time being, that director
- 2 2 For the purposes of any meeting (or part of a meeting) held pursuant to article 4 to authorise a Conflict, if there is only one Eligible Director in office other than the Interested Director(s) (as defined in article 4 1), the quorum for such meeting (or part of a meeting) shall be one Eligible Director

3. Transactions or other arrangements with the Company

- 3 1 Subject to section 177(5) and (6) and section 182(5) and (6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested,
 - (b) shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such existing or proposed transaction or arrangement in which he is interested,
 - (c) shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested,
 - (d) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
 - (e) may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested, and
 - (f) shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit, nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act

3 2 The provisions of article 3 1(a) to article 3 1(f) (inclusive) are subject, where applicable, to any terms and conditions imposed by the directors in accordance with article 4 3

4. **Directors' conflicts of interest**

4 1 The directors may, in accordance with the requirements set out in this article 4, authorise any Conflict proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest

4 2 Any authorisation under this article 4 will be effective only if

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

4 3 Any authorisation of a Conflict under this article 4 may (whether at the time of giving the authorisation or subsequently) impose on the Interested Director such conditions or limitations, or be granted subject to such terms, as the directors may think fit for the purposes of dealing with the Conflict and the Interested Director will be obliged to conduct himself in accordance with any such terms and conditions

4 4 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, before such revocation or variation, in accordance with the terms of such authorisation

4 5 A director, notwithstanding his office, may be a director or other officer of, employed by, or otherwise interested (including by the holding of shares) in, any member of the Group and no further authorisation under article 4 1 shall be necessary in respect of any such interest

4 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the Company for any remuneration, profit or other benefit that he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors in accordance with these Articles, by the Company or by these Articles (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.

5. Records of decisions to be kept

Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in a form that enables the directors to retain a copy of such decisions

6. Number of directors

The number of directors shall not be subject to any maximum but shall not be less than one. A sole director shall have all the powers, duties and discretions conferred on or vested in the directors by these Articles

SHARES AND SHAREHOLDERS

7. Quorum for general meetings

7.1 No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on

7.2 Where the Company has only one shareholder for the time being, one qualifying person (as defined in section 318 of the Act) present at the meeting shall be a quorum

8. Proxies

8.1 Model Article 45(1)(d) shall be deleted and replaced with the words "is delivered to the Company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"

8.2 Model Article 45(1) shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that Model Article

9. Share Dealings

9.1 Schedule 1 shall apply

ADMINISTRATIVE ARRANGEMENTS

10. Means of communication to be used

10.1 Subject to article 10 2, any notice, document or other information shall be deemed served on, or delivered to, the intended recipient

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
- (b) if sent by fax, at the time of transmission, or
- (c) if sent by pre-paid United Kingdom first class post, recorded delivery or special delivery to an address in the United Kingdom, at 9 00 am on the second Business Day after posting, or
- (d) if sent by pre-paid airmail to an address outside the country from which it is sent, at 9 00 am on the fifth Business Day after posting, or
- (e) if sent by reputable international overnight courier to an address outside the country from which it is sent, on signature of a delivery receipt or at the time the notice, document or other information is left at the address, or
- (f) if sent or supplied by e-mail, one hour after the notice, document or information was sent or supplied, or
- (g) if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website, and
- (h) if deemed receipt under the previous paragraphs of this article 10 1 would occur outside business hours (meaning 9 00 am to 5 30 pm Monday to Friday on a day that is not a public holiday in the place of deemed receipt), at 9 00 am on the day when business next starts in the place of deemed receipt. For the purposes of this article, all references to time are to local time in the place of deemed receipt

10 2 To prove service, it is sufficient to prove that

- (a) if delivered by hand or by reputable international overnight courier, the notice was delivered to the correct address, or
- (b) if sent by fax, a transmission report was received confirming that the notice was successfully transmitted to the correct fax number, or
- (c) if sent by post or by airmail, the envelope containing the notice was properly addressed, paid for and posted, or

- (d) if sent by e-mail, the notice was properly addressed and sent to the e-mail address of the recipient

11. Indemnity and insurance

11 1 Subject to article 11 2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled

- (a) each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them, including any liability incurred by him in defending any civil or criminal proceedings, or regulatory investigation or action, in which judgment is given in his favour or in which he is acquitted or the proceedings are, or the investigation or action is, otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs, and
- (b) the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings, investigation, action or application referred to in article 11 1(a) and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

11 2 This article 11 does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law and any such indemnity is limited accordingly

11 3 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

11 4 In this article 11

- (a) **associated company** means any member of the Group and **associated companies** shall be construed accordingly,
- (b) a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company, and
- (c) a **relevant officer** means any director or other officer or former director or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined by section 235(6) of the Act), but excluding in each case any person engaged by

the Company (or associated company) as auditor (whether or not he is also a director or other officer), to the extent he acts in his capacity as auditor)

Schedule 1
Share Dealings

1 Definitions and Interpretation

1.1 In this Schedule, save where the context otherwise requires the following words shall have the meanings shown

"a Member of the same Fund Group" Means if the Shareholder is a fund, partnership, company, syndicate or other entity whose business is managed by a Fund Manager (an **"Investment Fund"**) or a nominee of that person

- (a) any participant or partner in or member of any such Investment Fund or the holders of any unit trust which is a participant or partner in or member of any Investment Fund (but only in connection with the dissolution of the Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course of business),
- (b) any Investment Fund managed by that Fund Manager,
- (c) any parent undertaking or subsidiary undertaking of that Fund Manager, or any subsidiary undertaking of any parent undertaking of that Fund Manager, or
- (d) any trustee, nominee or custodian of such Investment Fund and vice Versa,

"Associate" With reference to any person

- (a) the husband, wife, child (including adopted child) of the person,
- (b) the trustees of any settlement

(whether or not set up by the person) under which the person and/or his spouse or children is or is capable of being a beneficiary,

“Bad Leaver”

A Shareholder who ceases to be employed by the Company and who is not a Good Leaver,

“Controlling Interest”

an interest in Shares conferring in aggregate 50 1% or more of the total voting rights conferred by all the Shares,

“Connected”

the meaning defined in sections 1122 and 1123 of the Corporation Tax Act 2010,

“Directors”

the directors of the Company from time to time and “Director” shall mean any of them,

“Fund Manager”

means a person whose principal business is to make, manage or advice upon investments in securities,

“Good Leaver”

A Shareholder who ceases to be employed by the Company by reason of

- (a) his death, or
- (b) his retirement (by reason of ill-health or on reaching 65), or
- (c) redundancy, or
- (d) his unfair or wrongful dismissal,

“Group”

the Company and any Connected company from time to time and “Group Company” means any one of them,

“Investor”

means D C Thomson & Company Limited, incorporated and registered in Scotland with company number SC005830;

“Permitted Condition”

a bona fide material consent, clearance, approval or permission necessary to enable

the relevant person to be able to complete a transfer of Shares under (1) its constitutional documents (2) the rules or regulations of any stock exchange on which it or its parent company is quoted or (3) any governmental, statutory or regulatory body in those jurisdictions where that person carries on business,

“Permitted Transfer”

A transfer of Shares such as is described in clause 3;

“Qualifying Offer”

An offer made to any Shareholder

- (a) which is a bona fide Offer in writing from a party which is at arm's length to that Shareholder and is not a Connected party,
- (b) where that third party offeror has its own financial resources to meet its obligations under the Offer or has an unconditional and legally binding commitment from a lender(s) for that finance,
- (c) which is irrevocable and unconditional except for any Permitted Condition,
- (d) which is governed by English law,
- (e) which is for all of the Shares held by that Shareholder, and
- (f) where the consideration payable in respect of each Share is the same in respect of each share held by each other Shareholder) and the terms offered to each other Shareholder are not less favourable than the terms offered to the offeree Shareholder,
- (g) which contains all material terms and conditions (including the price and the intended completion date of

the said offer),

- (h) which does not require any Shareholder to give any covenants, indemnities or warranties to the offeror, save for a warranty by each proposed transferor that any Shares transferred by it will be transferred with full title guarantee and free from encumbrances on completion,

“Relevant Event” Shall have the meaning prescribed in sub-clause 4 3 of this Schedule,

“Transfer Notice” A notice in writing as described in clause 4 4,

“Valuation Certificate” Shall have the meaning set out in clause 6 3

- 1 2 Any references to a Shareholder shall include (in the case of an individual) his personal representatives following his death

2 Share Dealings

- 2 1 The instrument of transfer of any Share may be in any usual form or in any other form that the Directors may approve and shall be executed by or on behalf of the transferor. In the case of a partly-paid Share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register of Shareholders in respect of it

- 2 2 Save as expressly permitted by these Articles or with the prior written consent of the other Shareholders, no Shareholder shall or shall agree to

- (a) pledge, mortgage, charge or otherwise encumber any of its Shares or any interest in any of its Shares,
- (b) sell, transfer or otherwise dispose of, or grant any option over, any of its Shares or any interest in its Shares, or
- (c) enter into any agreement in respect of the votes attached to any of its Shares

- 2 3 Save where otherwise expressly stated in these Articles the Directors shall not be entitled to decline to register the transfer of any Shares made in compliance with or as authorised by these Articles, save that the directors may, in their absolute

discretion and without assigning any reason therefor, decline to register any transfer of Shares if the Shares comprised in the transfer are not fully paid or are liable to forfeiture or the Company has a lien over them

3 Permitted Transfers

3.1 A Shareholder may at any time transfer a Share without being required to serve a Transfer Notice or comply with the pre-emption procedure set out in clause 5 as follows

- (a) if the Shareholder is a company or an Investment Fund it may transfer its Share(s) to any other company which is within the same Group or Fund Group as that Shareholder, provided that if any such transferee company ceases to be a Group Company or a member of the same Fund Group in relation to the original transferor then such transferee shall within seven days of such cessation transfer any Shares held by it to the original transferor or to any undertaking which, in relation to the said transferor, is a Group Company or a member of the same Fund Group,
- (b) any shares may be transferred by their beneficial owner ("**Beneficial Owner**") to a person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only, subject as follows
 - (i) where any Shares have been transferred to a nominee pursuant to this sub-clause, any such nominee may transfer any Shares so transferred to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only,
 - (ii) where a person to whom any Shares have been transferred as a nominee pursuant to this sub-clause ceases to hold such Shares as nominee for the Beneficial Owner only he shall forthwith transfer such Shares to the Beneficial Owner or to another person shown to the reasonable satisfaction of the Board to be a nominee for the Beneficial Owner only
- (c) if the Shareholder is an individual ("**the Original Shareholder**"), his Share(s) may be transferred to an Associate, provided that
 - (i) where any transferee Associate is a trustee or trustees, it or they may transfer any such Shares to the trustees for the time being on a change of trustee,
 - (ii) in any case where a Shareholder proposing to transfer Shares holds those Shares as a result of an earlier transfer to an Associate of the Original Shareholder, the Shareholder may only transfer those Shares to an Associate of the Original Shareholder,

- (iii) the Shares shall be re-transferred within seven days to the Original Shareholder if the transferee is not or shall cease to be an Associate of the Original Shareholder,
- (d) a Shareholder may transfer any Share without first serving a Transfer Notice where expressly permitted or required so to do in clause 7 (Drag-along) of this Schedule

4 Requirement to Serve Transfer Notice

- 4.1 Any Shareholder wishing to effect any transfer of any interest in any Shares, save for a Permitted Transfer, shall first serve a Transfer Notice on the Company in accordance with sub-paragraph 4.4 and must otherwise comply with the provisions of this paragraph 4 and paragraph 5
- 4.2 If any Shareholder commits or suffers a Relevant Event (such Shareholder being a **"Relevant Shareholder"**), any of the other Shareholders shall be entitled, by written notice served on the Relevant Shareholder and on the Company within thirty days of him becoming aware of the occurrence of the Relevant Event, to require the Relevant Shareholder to give a Transfer Notice in respect of all of the Shares held or beneficially owned by the Relevant Shareholder, and if the Relevant Shareholder shall not have given such Transfer Notice within seven days of being so required, the Company or any Shareholder shall be entitled and is hereby irrevocably authorised to give such Transfer Notice on behalf of the Relevant Shareholder. If a Relevant Event occurs, the Relevant Shareholder shall notify the Company and the Company shall notify each of the Shareholders as soon as reasonably practicable
- 4.3 For the purpose of paragraph 4.2 a **"Relevant Event"** is committed or suffered by a Relevant Shareholder if
 - (a) it commits a serious breach of this Shareholders' Articles and either (i) the breach is not capable of being remedied or (ii) the defaulting Shareholder fails to remedy that breach within twenty Business Days of receipt by it of written notice, served by any other of the Shareholders, specifying the breach and requiring that the breach be remedied,
 - (b) being an individual he
 - (i) dies,
 - (ii) is declared bankrupt,
 - (iii) becomes of unsound mind or a patient under the Mental Health Act 1983,
 - (c) being a company

- (i) shall go into liquidation, whether compulsory or voluntary (save for the purposes of an amalgamation or reconstruction), or,
- (ii) has an administrator appointed or has a receiver, administrative receiver or similar official appointed over the whole or any part of its assets,
- (d) being an employee, he ceases to be employed by the Company in circumstances where he is a Bad Leaver

4 4 Upon being required to do so by virtue of the provisions of this paragraph 4 a Shareholder (the "**Selling Shareholder**") shall give a notice in writing (a "**Transfer Notice**") to the Company irrevocably appointing the Company as his or her agent for the sale of such number of his or her shares as may be specified therein (the "**Sale Shares**") together with all rights in those shares to any member on the terms set out below. A Transfer Notice served pursuant to clause 4 1 may or may not specify the price per Share (the "**Price**") at which the Selling Shareholder is willing to sell the Sale Shares. A Transfer Notice served pursuant to clause 4 2 shall not specify the Price. Immediately upon receipt of a Transfer Notice, the Company shall serve a copy of it on all Shareholders.

4 5 Save where a Transfer Notice is served pursuant to clause 4 2, the party serving it may provide in the Transfer Notice that unless buyers are found for all or not less than a specified number of the Sale Shares, he shall not be bound to transfer any of such Shares (a "**Minimum Transfer Condition**") and any such provision shall be binding on the Company. Notwithstanding the other provisions of the New Articles, if the Transfer Notice contains a Minimum Transfer Condition the Company may not make any allocation of Sale Shares unless and until it has found buyers for the minimum number specified in the Minimum Transfer Condition. No Minimum Transfer Condition may be specified where a Transfer Notice is served pursuant to clause 4 2.

4 6 Where a Transfer Notice is served by any party and does not specify the Price, the Directors shall within five Business Days of receiving the Transfer Notice instruct valuers to determine the Price in accordance with clause 6 1 below. Within five Business Days of receiving a Valuation Certificate specifying the Price from the said valuers, the Directors shall serve the same on the Shareholders.

5 **Pre-emption Procedure**

5 1 The following provisions apply following service of a Transfer Notice.

5 2 Within seven Business Days of receipt of the Transfer Notice or, where clause 4 6 applies, at the same time as the Directors serve the Valuation Certificate the Directors shall offer the Sale Shares to all Shareholders (the "**Offer**"), other than the Selling Shareholder, at the Price (either as specified in the Transfer Notice or, where no Price is so specified, at the Price as determined by the valuer and specified in the Valuation Certificate). The offer shall be in writing and shall invite the Shareholders receiving

the offer to state in writing to the Company within twenty-eight days from the date of the offer (the "**Offer Period**") the number of Sale Shares in respect of which he accepts the offer at the Price and on the terms set out below

- 5.3 If any Shareholders accept the Offer, the Directors shall on the expiration of the Offer Period allocate the Sale Shares to the accepting Shareholders but so that
- (a) accepting Shareholders shall be entitled to that proportion of the Sale Shares that their shareholding bears to the total shareholdings of all accepting Shareholders (the "**Pre-emption Proportion**"), or the amount of Sale Shares in respect of which they have accepted the offer, whichever is less,
 - (b) any Shareholder which has accepted the offer in respect of more than his or her Pre-emption Proportion (the "**Excess Acceptance**") shall receive that proportion of any Sale Shares then remaining unallocated that such Shareholder's Excess Acceptance bears to the total Excess Acceptances of all Shareholders accepting the offer
- 5.4 The Directors shall within seven days of the end of the Offer Period give notice in writing (the "**Completion Notice**") of such allocation(s) to the Selling Shareholder and the accepting Shareholders (the "**Purchasers**") and the Selling Shareholder and Purchasers shall be bound to sell and buy the Shares at the Price, completion to take place in accordance with paragraph 5.6.
- 5.5 The Selling Shareholder shall remain the proprietor of such number of Shares which shall not have been accepted and, save where a Transfer Notice has been served by reason of a Relevant Event, shall be at liberty during the period of thirty days following the end of the Offer Period to transfer all or any of his remaining shares to any person or persons (an "**Alternative Purchaser(s)**") at a price not being less than the Price and on terms no more favourable to the Alternative Purchaser(s) than the terms of the offer made to the Shareholders, provided that if the Selling Shareholder stipulated in the Transfer Notice a Minimum Transfer Condition which has not been satisfied, the Selling Shareholder shall not be entitled to sell any Sale Shares unless he complies with such Minimum Transfer Condition. The Directors may require to be satisfied that the remaining Shares are being transferred pursuant to a bona fide sale for the Price without any deduction, rebate or allowance of any kind to the Alternative Purchaser(s) and otherwise in accordance with this Schedule and if not so satisfied, may refuse to register the instrument of transfer.
- 5.6 Completion of a sale to any Purchaser shall take place in accordance with the following provisions
- (a) Completion shall take place on a day agreed by the Selling Shareholder and the Purchasers or, if no agreement is reached, on the first Business Day occurring more than seven days after the date of the Completion Notice

- (b) At completion the Selling Shareholder shall deliver to the Purchasers a duly completed stock transfer form transferring the entire legal and beneficial interest in the relevant Sale Shares, together with the relative share certificates
- (c) At completion the Purchasers shall deliver to the Selling Shareholder the purchase price by way of banker's draft made payable to the Selling Shareholder. Where a Shareholder transfers all of its Shares to Purchasers, the Purchasers shall procure
 - (i) the discharge of any security taken over the Selling Shareholder's property for the purpose of facilitating any loans or prospective loans to any Group Company,
 - (ii) the immediate release of all guarantees, indemnities and similar covenants (if any) given by the Selling Shareholder in favour or for the benefit of any Group Company (and pending such release shall indemnify and keep the Selling Shareholder fully and effectively indemnified from and against all claims arising under such guarantees indemnities and similar covenants), and
 - (iii) the immediate repayment to the Selling Shareholder of all money advanced to or on behalf of any Group Company by that Selling Shareholder by way of loan or loan stock and then outstanding (if any) together with all interest down to the date of actual payment (both after and before judgment)

Where there is more than one Purchaser, each of the Purchasers shall be jointly and severally responsible for procuring such discharge, release or repayment in relation to all of the said security, guarantee or loan

- (d) The Sale Shares sold pursuant to these provisions shall be sold by the Selling Shareholder with full title guarantee free and clear of all liens, charges, mortgages and other encumbrances of any nature and shall carry all rights, benefits and advantages attaching to them as at completion
- (e) If any Purchaser shall fail to effect payment of the purchase price on the due date, without prejudice to any other remedy that the Selling Shareholder may have the outstanding balance of the purchase price shall carry interest at a rate equal to 5 per cent per annum above the base rate of Barclays Bank Plc from time to time
- (f) If the Selling Shareholder shall fail to transfer Shares to any Purchaser at completion in accordance with this paragraph 5 6, the Directors shall authorise some person to execute any necessary transfers in favour of the Purchaser as the case may be and shall receive the purchase money and shall (subject to the transfers being duly stamped) cause the name of the Purchaser to be entered in the register as the holder of the Shares. The Company shall hold the purchase money in trust for the Selling Shareholder, and the receipt of the Company for the purchase money shall be a good discharge to the Purchaser, who shall not be bound to see to the application thereof,

and after the name of the Purchaser as the case may be, has been entered in the register the validity of the proceedings shall not be questioned by any person

6 Valuation of Sale Shares

6.1 Directors instructing valuers to determine the Price as required so to do by the provisions of paragraph 4.6 shall do so on the following basis

6.2 Forthwith upon being required to instruct valuers the Directors shall notify all members that they will instruct the auditors of the Company for the time being to carry out the determination of the Price unless an objection is received from any member (including the Selling Shareholder) within seven Business Days of dispatch of the notice. If an objection is so received, or if the auditors refuse to act, then the directors shall forthwith request the President for the time being of the Institute of Chartered accountants in England and Wales to nominate an independent Chartered Accountant of not less than 10 years standing who shall carry out the valuation. The valuer shall be entitled to instruct other experts to assist in his valuation. All costs, expense and charges incurred by the Company in instructing a valuer shall be paid by the Selling Shareholder

6.3 The valuer shall be instructed to deliver a written opinion certifying the Price (the "**Valuation Certificate**") within twenty Business Days of the matter being referred to him. The valuer shall act as expert and not as arbitrator and his written opinion shall, in the absence of manifest error, be final and binding on all Shareholders and the Company

6.4 Subject to sub-clause 6.5 below, the Price certified by the valuer shall be the fair value of each Sale Share, which shall be determined as the relevant proportion of the fair market value of the entire issued share capital of the Company based on the following assumptions

- (a) an arm's length sale between a willing seller and a willing buyer taking place on the date of the issue of the Valuation Certificate where the business of the Company is a going concern,
- (b) account shall not be taken of whether the shares being valued constitute a minority or majority holding and each Sale Share shall have the same value as each other Share;
- (c) the Shares to be sold are capable of being transferred without restriction,
- (d) where the Company has granted any option to subscribe for any Shares the issued share capital shall be deemed to include all such Shares as would be in issue if all such options had been exercised in full prior to the valuation date,

and any other factors which the valuer reasonably believes should properly be taken into account

- 6 5 Where a Transfer Notice has been served by reason of the occurrence of a Relevant Event, being the termination of employment of a Shareholder in circumstances where the Shareholder was a Bad Leaver, then, notwithstanding anything stated elsewhere in this Schedule, Schedule 2 below will apply

7 Drag-Along Rights

- 7 1 If at any time the holder(s) of Shares representing a Controlling Interest (including the Investor) (the "**Seller**") intends to sell all of its holding of Shares (or any interest in such Shares) (the "**Selling Shares**") to a bona fide purchaser (the "**Proposed Purchaser**") pursuant to a Qualifying Offer, the Seller shall be entitled by serving notice on the Company (the "**Selling Notice**") to require each of the Shareholders other than the Seller (the "**Other Shareholders**") to sell their Shares in accordance with the following provisions. The Selling Notice shall include details of the Selling Shares, the proposed price for each Selling Share to be paid by the Proposed Purchaser (the "**Specified Price**"), details of the Proposed Purchaser, a copy of the Qualifying Offer and the date (which shall be not earlier than the fourteenth day after the date of the Selling Notice), time and place of completion of the proposed purchase ("**Completion**")
- 7 2 Immediately upon receipt of the Selling Notice, the Company shall give notice in writing (a "**Compulsory Sale Notice**") to each of the Other Shareholders, providing a copy of the Selling Notice and all documents served with it and, requiring each of them to sell to the Proposed Purchaser at Completion all of their holdings of Shares on the terms of the Qualifying Offer. The Seller shall have the right to withdraw the Selling Notice at any time prior to Completion by giving notice to the Company to that effect, whereupon each Compulsory Transfer Notice shall immediately cease to have effect
- 7 3 Each Other Shareholder who is given a Compulsory Sale Notice shall, on Completion, sell all the shares referred to in the Compulsory Sale Notice at a price per share equal to the Specified Price and on the same terms as set out in the Selling Notice (subject always to paragraph 7 5 below)
- 7 4 If any of the Other Shareholders fails to comply with the terms of a Compulsory Sale Notice given to him, the Company shall be constituted the agent of such defaulting Shareholder for the sale of his Shares in accordance with the Compulsory Sale Notice (together with all rights then attached to them) and the Directors may authorise some person to execute and deliver on behalf of such defaulting Shareholder the necessary transfer(s) and the Company may receive the purchase money in trust for such Shareholder and cause the Proposed Purchaser to be registered as the holder of the Shares transferred. The receipt of the Company for the purchase money pursuant to such transfers shall constitute a good and valid discharge to the Proposed Purchaser (who shall not be bound to see to the application thereof) and after the Proposed Purchaser has been registered in purported exercise of the aforesaid powers, the validity of the proceedings shall not be questioned by any person. The Company shall not pay the purchase money due to the defaulting Shareholder until such Shareholder shall, in relation to the shares to which the Compulsory Sale Notice

applies, have delivered to the Company his share certificates in respect thereof (or a suitable indemnity), together with the necessary executed transfers

7 5 For the avoidance of doubt, the following shall apply in relation to a compulsory transfer of Shares pursuant to this paragraph 7

- (a) no Shareholder shall be required to comply with a Compulsory Sale Notice unless the Seller sells the Selling Shares for the Specified Price and otherwise on the terms of the Qualifying Offer to the Proposed Purchaser on Completion,
- (b) Where a Selling Notice is served and is not withdrawn prior to Completion, there shall be no requirement to serve a Transfer Notice in respect of any transfer effected pursuant to the relevant Qualifying Offer;
- (c) None of the Other Shareholders shall be required to provide any warranties or representations to the Proposed Purchaser in the relevant sale documentation save for a full title guarantee,
- (d) None of the Other Shareholders shall be required to give an indemnity to the Proposed Purchaser in respect of any matter save for the authority, ownership and ability to convey title to its Shares,
- (e) None of the Other Shareholders shall be held liable for any breach of warranty in connection with a sale to a Proposed Purchaser to the extent that the warranty was not given by that Other Shareholder,
- (f) The liability of any of the Other Shareholders in connection with a sale to a Proposed Purchaser shall be several and not joint with any other person and shall in any event be limited to the amount of consideration payable to the relevant Other Shareholder by the Proposed Purchaser).

7 6 On any person, following the issue of a Compulsory Sale Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a "New Shareholder"), a Compulsory Sale notice shall be deemed to have been served on the New Shareholder on the same terms as the previous compulsory Sale Notice who shall then be bound to sell and transfer all Shares so acquired to the Proposed Purchaser or as the Proposed Purchaser may direct and the provisions of this clause 7 shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Compulsory Sale Notice being deemed served on the New Shareholder

8 Co-Sale right

8 1 Until such time as the Investor ceases to hold any Shares, no transfer (other than those set out in clause 3) of any of the Shares may be registered unless a Shareholder (a "**Selling Member**") shall have observed the following procedures of this clause

8 2 After the Selling Member has gone through the pre-emption process set out in clause 5, the Selling Shareholder shall give to the Investor not less than 15 Business Days' notice in advance of the proposed sale (a "**Co-Sale Notice**") The Co-Sale Notice shall specify

- (a) the identity of the proposed purchaser (the "**Buyer**"),
- (b) the price per share which the Buyer is proposing to pay,
- (c) the manner in which the consideration is to be paid,
- (d) the number of Shares which the Selling Member proposes to sell, and
- (e) the address where the counter-notice should be sent

8 3 The Investor shall be entitled within five Business Days after receipt of the Co-Sale Notice, to notify the Selling Member that they wish to sell a certain number of Shares held by them at the proposed sale price, by sending a counter-notice which shall specify the number of Shares which such Investor wishes to sell The maximum number of Shares which the Investor can sell under this procedure shall be

$$\left(\frac{X}{Y} \right) \times Z$$

where

X is the number of Shares held by the Investor,

Y is the total number of Shares,

Z is the number of Shares the Selling Member proposes to sell

Any Investor who does not send a counter-notice within such five Business Day period shall be deemed to have specified that they wish to sell no Shares

8 4 Following the expiry of five Business Days from the date the Investors receive the Co-Sale Notice, the Selling Member shall be entitled to sell to the Buyer on the terms notified to the Investors a number of Shares not exceeding the number specified in the Co-Sale Notice less any Shares which Investors have indicated they wish to sell,

provided that at the same time the Buyer (or another person) purchases from the Investors the number of Shares they have respectively indicated they wish to sell on terms no less favourable than those obtained by the Selling Member from the Buyer

- 8 5 No sale by the Selling Member shall be made pursuant to any Co-Sale Notice more than three months after service of that Co-Sale Notice
- 8 6 Sales made under a Co-Sale Notice in accordance with this clause shall not be subject to clause 5

Schedule 2
Additional Share Dealing Provisions

Notwithstanding the provisions of Schedule 1 above, the following shall apply in respect of certain share transfers by the Founders

1 Share lock-up

1.1 Each Founder agrees, during the period commencing on the date of these Articles and ending following the expiry of three months from the date of these Articles, that it shall not without the prior written consent of the Investor

- (a) pledge, mortgage, charge or otherwise encumber any of its Shares or any interest in any of its Shares,
- (b) sell, transfer or otherwise dispose of, or grant any option over, any of its Shares or any interest in its Shares, or
- (c) enter into any agreement in respect of the votes attached to any of its Shares

2 Vesting/discounting

2.1 For the purposes of this Schedule 2, the following defined terms shall have the following meanings

"**Bad Leaver**" shall have the meaning given to it in Schedule 1 above,

"**Date of Adoption**" means the date of adoption of these Articles,

"**Deferred Conversion Date**" means the date that the Employees Shares convert into Deferred Shares pursuant to paragraph 3 below;

"**Effective Termination Date**" means the date on which the Employee's employment terminates,

"**Employee Shares**" in relation to an Employee means all Ordinary Shares held by

- (a) the Employee in question, and
- (b) any Permitted Transferee of that Employee other than those Ordinary Shares held by persons that did not acquire them directly or indirectly from the Employee or by reason of that person's relationship with the Employee,

other than Ordinary Shares that an Employee holds as result of exercising option(s) under any Share Option Plan(s),

"First Vesting Period" means the period commencing on the Date of Adoption and ending on the day immediately preceding the first anniversary of the Date of Adoption,

"Founders" means William Eastcott and David Evans,

"Second Vesting Period" means the period commencing on the first anniversary of the Date of Adoption and ending on the day immediately preceding the second anniversary of the Date of Adoption,

"Good Leaver" shall have the same meaning as set out in Schedule 1 above and shall include, without limitation, when the Board (including Investor Director Consent) determines that a person is not a Bad Leaver,

"Leaver's Percentage" means the percentage of Employee Shares that are required (pursuant to paragraph 3 below) to be converted into Deferred Shares, calculated in accordance with paragraph 4 below,

"NM1" means, for the purposes of paragraph 4 below, the number of full calendar months elapsed from the beginning of the First Vesting Period until the Effective Termination Date,

"NM2" means, for the purposes of paragraph 4 below, the number of full calendar months elapsed from the beginning of the Second Vesting Period until the Effective Termination Date,

"Relevant Period" means 24 months from the Date of Adoption,

"Unvested Shares" means those Employee Shares that are required to be converted into Deferred Shares under paragraph 3 below

3 **Departing employees**

Deferred Shares

- 3 1 Unless the Board and the Investor determine that this paragraph 3 of Schedule 2 shall not apply and subject to paragraph 3 3 below, if at any time during the Relevant Period a Founder ceases to be an Employee by reason of being a Bad Leaver, the Leaver's Percentage of the Employee Shares held by such Founder shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share)
- 3 2 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares as from the Deferred Conversion Date Upon the Deferred Conversion Date, the leaving Founder (and his Permitted

Transferee(s) (if any)) shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) (or an indemnity for lost certificate in a form acceptable to the Board) for the Unvested Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s) (if any)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares

Deemed Transfer Notice

- 3 3 The Board and the Investor shall be entitled to determine that, in the alternative to paragraph 3 1 above, if a Founder ceases to be an Employee by reason of being a Bad Leaver a Transfer Notice shall be deemed to be given in respect all of the Employee Shares which were to convert into Deferred Shares under paragraph 3 1 above on the Effective Termination Date

Suspension of voting rights

- 3 4 All voting rights attached to Employee Shares held by a Founder or by any Permitted Transferee of that Founder (the “**Restricted Member**”), if any, shall at the time he ceases to be an Employee be suspended unless the Board and the Investor notify him otherwise
- 3 5 Any Employee Shares whose voting rights are suspended pursuant to paragraph 3.4 above (“**Restricted Shares**”) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution Voting rights suspended pursuant to this paragraph 3 5 shall be automatically restored immediately prior to an IPO If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored

4 Calculation of Leaver's Percentage

- 4 1 In the event that a Founder ceases to be an Employee in circumstances where he is a Bad Leaver
- (a) at any time during the First Vesting Period, the Leaver's Percentage shall be calculated (rounded to the nearest two decimal places) using the following formula

$$\text{Percentage} = 67 - (1.4167 \times \text{NM1}), \text{ and}$$

- (b) at any time during the Second Vesting Period, the Leaver's Percentage shall be calculated (rounded to the nearest two decimal places) using the following formula