

THE COMPANIES ACT 2006

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PRIVATE COMPANY LIMITED BY SHARES

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WRITTEN RESOLUTIONS

of

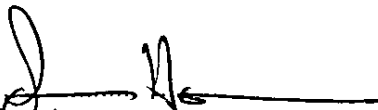
CUPRIS LIMITED (the "Company")

Resolutions passed on 21 June 2013

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (the "Act"), the following resolutions have been passed as special resolutions -

SPECIAL RESOLUTIONS

- 1 **THAT**, each of the existing ordinary shares of £1 00 each and any unissued ordinary shares of £1 00 each in the capital of the Company be and are hereby sub-divided into 100 ordinary shares of £0 01 each
- 2 **THAT** the regulations contained in the document attached to this resolution and signed for the purpose of identification by a director of the Company be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association

  
Director






**Company Number: 07867790**

**THE COMPANIES ACT 2006  
PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION  
OF  
CUPRIS LIMITED  
(Adopted on 21st June 2013)**

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T. Hanson

  
Pinsent Masons

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## INTRODUCTION

### 1 INTERPRETATION

1.1 In these Articles, unless the context otherwise requires:

**Act:** means the Companies Act 2006,

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

**Associate** in relation to any person

(a) any person who is an associate of that person. The question of whether (or not) a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986, or

(b) any member of the same Group

**Bad Leaver** means a person who ceases to be an employee at any time and any of the following circumstances apply

(a) the relevant Employee has committed an act of fraud in relation to the business of the Company, or

(b) the relevant Employee ceases to be an employee and/or director and/or consultant of any member of the Company in circumstances justifying summary dismissal as set out in his/her service agreement and/or summary termination of his/her service agreement,

**Board:** means the board of Directors and any committee of the board constituted for the purpose of taking any action or decision contemplated by these Articles,

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in the United Kingdom) on which clearing banks in the City of London are generally open for business,

**Company:** means Cupris Limited,

**Conflict:** means any matter or situation that is, or has the potential to be, against the best interests of the company,

**Consultant** means a person who gives expert advice or information;

**Departing Employee Shareholder:** means an Employee Shareholder who ceases to be a consultant to, or director or employee of, the Company (or any other Group Company) and does not continue as, or become, a consultant to, or director or employee of, any other Group Company,

**Director** means a member of the governing board of a business who may or may not have an executive function,

**Effective Termination Date:** means the date on which the Founder's employment or consultancy terminates whichever is the latest,

**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),

**Employee:** means an individual who is employed by the Company or engaged as consultant by the Company,

**Employee Shareholder:** means an Employee who is a Shareholder,

**Employee Share Scheme:** means any scheme to allot or grant options over Shares to employees or directors of or consultants of the Company adopted from time to time by the Company,

**Encumbrance:** means any mortgage, charge, security, interest, lien, pledge, assignment by way of security, equity, claim, right of pre-emption, option, covenant, restriction, reservation, lease, trust, order, decree, judgment, title defect (including, without limitation, any retention of title claim), conflicting claim or ownership or any other encumbrance of any nature (whether or not perfected, other than liens arising by operation of law),

**Family Trust:** means in relation to an individual Shareholder, a trust or settlement set up wholly for the benefit of that individual Shareholder (**Settlor**) and/or the Settlor's Privileged Relations,

**Founders or Founder Shareholders:** mean Julian Hamann and Paul Alistair Thomas,

**Independent Expert:** an independent firm of accountants (acting as an expert and not as an arbitrator),

**Interested Director** means a director of the company who has, or may have, a direct or indirect interest in a matter that, if not authorised by the company, would or may conflict, with the interests of the company,

**Listing:** means the successful application and admission of all or any of the Shares in the capital of the Company, or securities representing such shares (including American depositary receipts, American depositary shares and/or other instruments to the Official List of the UK Listing Authority or on the AIM market operated by the London Stock Exchange plc, or the Nasdaq National Stock Market of the Nasdaq Stock Market Inc, or to any recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000 (as amended));

**Member of the same Group:** means as regards any company, a company which is from time to time a parent undertaking or a subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking,

**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 No 3229) as amended prior to the date of adoption of these Articles,

**Parent and Parent Undertaking:** shall have the meanings given to them in the Act,

**Permitted Transfer:** means a transfer of shares in accordance with **article 7**;

**Permitted Transferee:** means a person who receives Shares as a result of a Permitted Transfer,

**Privileged Relation:** means the spouse, civil partner, widow or widower of a Shareholder and the Shareholder's children and grandchildren (including step and adopted children), and step or adopted or illegitimate children of the Shareholder's children,

**Relevant Securities:** means any shares or other securities convertible into, or carrying the right to subscribe for those shares, issued by the Company after the date on which these Articles are adopted, but excluding

- (a) the grant of options to subscribe for Ordinary Shares under an Employee Share Scheme (and the issue of the Shares on exercise of those options),
- (b) any Shares which the Company is required to issue by reason of a right specifically attached to Shares under these Articles

**Sale Shares:** means the Shares specified or deemed to be specified for sale in a Transfer Notice or a Deemed Transfer Notice,

**Seller:** means the transferor of Shares pursuant to a Transfer Notice;

**Shares:** means the ordinary shares of £0.01 each and any other shares in the capital of the Company from time to time,

**Shareholder:** means a holder of Shares in the Company;

**Subsidiary and Subsidiary Undertaking:** shall have the meanings given to them in the Act,

**Termination Date:** means

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires, or

- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served, or
- (c) where an Employee Shareholder dies, the date of his death; or
- (d) where the Employee Shareholder concerned is a director but not an employee, the date on which his service agreement with the Company is terminated or the date on which he ceases to hold office whichever is the earlier,

and in any other case, the date on which the consultancy agreement or employment agreement is terminated,

**Transfer Notice:** means a notice in writing given by any Shareholder to the Company where that Shareholder desires, or is required by these Articles, to transfer (or enter into an agreement to transfer) any Shares Where such notice is deemed to have been served, it shall be referred to as a Deemed Transfer Notice

**Qualifying Person** means an individual who is a member of the company, or a person authorised to act as the representative of a company in relation to the meeting or a person appointed as a proxy of a member in relation to the meeting, and

**Vesting Start Date** means the date that the relevant Founder is registered as a member of the Company.

- 1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles shall have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in the Act shall have the same meanings in these Articles
- 1 3 Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles
- 1 4 Unless expressly provided otherwise, 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
  - 1 4 1 any subordinate legislation from time to time made under it, and
  - 1 4.2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts.
- 1.5 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms

- 1 6 The Model Articles shall apply to the company, except in so far as they are modified or excluded by these Articles
- 1 7 Articles 8, 9(1), 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles shall not apply to the company
- 1 8 Article 7 of the Model Articles shall be amended by
- 1 8 1 the insertion of the words "for the time being" at the end of article 7(2)(a), and
- 1 8 2 the insertion in article 7(2) of the words "(for so long as he remains the sole director)" after the words "and the director may".
- 1 9 Article 20 of the Model Articles shall be amended by the insertion of the words "and the secretary" before the words "properly incur"
- 1 10 In article 25(2) (c) of the Model Articles, the words "evidence, indemnity and the payment of a reasonable fee" shall be deleted and replaced with the words "evidence and indemnity"
- 1 11 Article 27(3) of the Model Articles shall be amended by the insertion of the words ", subject to article 10," after the word "But"
- 1 12 Article 29 of the Model Articles shall be amended by the insertion of the words ", or the name of any person(s) named as the transferee(s) in an instrument of transfer executed under article 28(2)," after the words "the transmittee's name"
- 1 13 Articles 31(a) to (d) (inclusive) of the Model Articles shall be amended by the deletion, in each case, of the words "either" and "or as the directors may otherwise decide"

## 2 ISSUE OF SHARES: AUTHORITY TO ALLOT AND PRE-EMPTION

- 2 1 Subject to the remaining provisions of this **article 2**, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to
- (a) offer, allot or grant rights to subscribe for, or
- (b) convert securities into, or
- (c) otherwise deal in, or dispose of,
- any Shares (or any other Relevant Securities in the Company) to any person, at any time and subject to any terms and conditions as the Directors think proper
- 2 2 The authority referred to in **article 2.1**
- (a) shall only apply insofar as the Company in general meeting has not renewed, waived or revoked it,



- (b) shall be limited to Shares with an aggregate nominal value of £160; and
  - (c) may only be exercised for a period of five years commencing on the date on which these Articles are adopted, save that the Directors may make an offer or agreement which would, or might, require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired).
- 2 3 In accordance with section 567(1) of the Act, sections 561 and 562 of the Act shall not apply to an allotment of Relevant Securities made by the Company
- 2.4 Unless otherwise agreed by special resolution passed at a duly convened meeting of the Shareholders or by a written resolution passed in accordance with section 288 of the Act or these articles and save as provided in **article 2.8**, if the Company proposes to allot any Relevant Securities, those Relevant Securities shall not be allotted to any person unless the Company has first offered them to all Shareholders on the same terms, and at the same price, as those Relevant Securities are being offered to other persons on a pari passu and pro rata basis to the number of Shares held by those holders (as nearly as possible without involving fractions) The offer.
  - (a) shall be in writing and give details of the number and subscription price of the Relevant Securities, and
  - (b) may stipulate that any Shareholder who wishes to subscribe for a number of Relevant Securities in excess of the proportion to which each is entitled shall, in its acceptance, state the number of excess Relevant Securities (**Excess Securities**) for which they wish to subscribe
- 2 5 Each Shareholder to whom an offer is made to in accordance with the **article 2.4** may exercise his option by giving notice to the Company, at any time within 10 Business Days following the date on which the offer was made to each Shareholder, accompanied by payment in full to the Company for the Shares subscribed for.
- 2 6 Any Relevant Securities not accepted by Shareholders pursuant to the offer made to them in accordance with **article 2.4** and by the dates set out in **article 2.5** shall be used for satisfying any requests for Excess Securities made pursuant to **article 2.4**. If there are insufficient Excess Securities to satisfy such requests, the Excess Securities shall be allotted to the applicants pro rata to the number of Shares held by the applicants immediately before the offer was made to Shareholders in accordance with **article 2.4** (as nearly as possible without involving fractions or increasing the number of Excess Securities allotted to any Shareholder beyond that applied for by him) After that allotment, any Excess Securities remaining shall be offered, subject to **article 2.9**, to any other person as the Directors may determine, at the same price and on the same terms as the offer to the Shareholders.

- 2 7 Subject to **article 2.4** and **article 2.6** and to sections 549 to 551 (inclusive) of the Act, any Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper
- 2.8 The provisions of **articles 2.4 to 2.6** (inclusive) shall not apply to
- (a) allotments of Shares or grants of options to subscribe for Shares under an Employee Share Scheme, and
  - (b) Relevant Securities which the holders of not less than 75% of the issued Shares have agreed in writing should be issued without complying with the procedures set out in **articles 2.4 to 2.6**.
- 2 9 No Shares shall be allotted to any employee, Director, prospective employee or director unless such person has entered into a joint election with the Company under section 431 of the Income Tax (Earnings and Pensions) Act 2003 (Section 431 Election)
- 2 10 The Directors may, as a condition to the registration of any allotment of Shares in the Company, require the allottee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between all or any of the Shareholders and the Company in such form as the Directors may reasonably require. If any such condition is imposed in accordance with this article, the allotment shall not be registered unless that deed has been executed and delivered to the Company's registered office by the allottee
- 3 TRANSFER OF SHARES GENERAL**
- 3 1 In **article 3**, **article 4** and **article 6** references to the transfer of a Share includes the sale, transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share, and reference to a Share includes a beneficial or other interest in a Share
- 3 2 No Share may be transferred unless the transfer is made in accordance with these Articles
- 3 3 If a Shareholder transfers (or purports to transfer) a Share other than in accordance with these Articles, he shall be deemed to have served a Transfer Notice immediately in respect of all Shares held by him
- 3 4 Any transfer of a Share by way of sale that is required to be made under **article 3**, **article 4** and **article 6** shall be deemed to include a warranty as to capacity and title to the relevant Shares
- 3 5 In addition to the provisions of article 26(5) of the Model Articles, the Directors may refuse to register a transfer if
- 3.5 1 it is a transfer of a Share to a bankrupt, a minor or a person of unsound mind, or

- 3 5 2 the transfer is to an employee, Director or prospective employee or director and that person has not entered into a Section 431 Election with the Company

Article 26(5) of the Model Articles shall be modified accordingly

- 3 6 The Directors may, as a condition to the registration of any transfer of Shares in the Company, require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of any shareholders' agreement (or similar document) in force between all or any of the Shareholders and the Company in such form as the Directors may reasonably require (but no so as to oblige the transferee of Shares to have any obligations or liabilities greater than those of the proposed transferor under any such agreement or other document) If any condition is imposed in accordance with this article, the transfer shall not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee
- 3 7 To enable the Directors to determine whether or not there has been any disposal of Shares in the capital of the Company (or any interest in Shares in the capital of the Company) in breach of these Articles, the Directors may require any holder, or the legal personal representatives of any deceased holder, or any person named as transferee in any transfer lodged for registration or any other person who the Directors may reasonably believe to have information relevant to that purpose, to provide to the Company with any information and evidence that the Directors request regarding any matter which they deem relevant to that purpose If the information or evidence is not provided to enable the Directors to determine to their reasonable satisfaction that no breach has occurred, or that as a result of the information and evidence the Directors are reasonably satisfied that a breach has occurred, the Directors shall immediately notify the holder of such Shares in the capital of the Company in writing of that fact and the following shall occur:
- 3 7 1 the relevant Shares shall cease to confer on the holder of them (or any proxy) any rights
- (a) to vote, whether on a show of hands or on a poll, and whether exercisable at a general meeting of the Company or at any separate meeting of the class in question; or
  - (b) to receive dividends or other distributions otherwise attaching to those Shares or to any further shares in the capital of the Company issued in respect of those Shares, or in pursuance of an offer made to the relevant holder, and
- 3.7.2 the holder may be required, at any time following receipt of the notice, to transfer some or all of its Shares to any person(s) at the price that the Directors may require by notice in writing to that holder.

The rights referred to in **article 3.7.1** may be reinstated by the Board or, if earlier, shall be reinstated on the completion of any transfer referred to in **article 3.7.2**

- 3 8 Where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within 5 Business Days of a written demand being made, a Deemed Transfer Notice shall be given at the end of that period. If a Transfer Notice is required to be given, or is deemed to have been given, under these Articles, the Transfer Notice shall be treated as having specified that

3 8 1 the Transfer of the Sale Shares shall be as agreed between the Board (any Director with whom the Seller is connected (within the meaning of section 252 of the Act) not voting) and the Seller, or, failing agreement within 10 Business Days after the date on which the Board becomes aware that a Deemed Transfer Notice has been given, the Transfer Price shall be the fair value (as determined in accordance with **article 5**) of the Sale Shares;

3 8 2 whether there is a Minimum Transfer Condition (as defined in **article 4.2.4**), and

3 8 3 the Seller wishes to transfer all of the Shares held by it

#### 4 **TRANSFER OF SHARES SUBJECT TO PRE-EMPTION**

- 4 1 Except where the provisions of **article 6** and **article 8** apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights in this **article 4**

- 4 2 A Seller shall, before transferring or agreeing to transfer any Shares, deliver a Transfer Notice to the Company specifying

4 2 1 the number of Sale Shares he wishes to sell,

4 2 2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee,

4 2.3 the price (in cash (or the cash alternative if he wishes to sell his shares for non-cash consideration)) at which he wishes to transfer the Sale Shares, which will be deemed to be Fair Value of the Sale Shares if no cash price is agreed between the Seller and the Board (**Transfer Price**); and

4 2 4 whether the Transfer Notice is conditional on all, or a specific number of, the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**)

- 4.3 Once given (or deemed to have been given under) these Articles, a Transfer Notice may not be withdrawn

4 4 A Transfer Notice appoints the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price

4 5 As soon as practicable following the later of

4.5 1 receipt of a Transfer Notice, or

4.5 2 where the Transfer Price has not been specified, or a Deemed Transfer Notice has been served, the determination of the Transfer Price under **article 5**,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in **article 4.6** Each offer shall be in writing and give details of the number and Transfer Price of the Sale Shares offered

4 6 The Board shall offer the Sale Shares to all Shareholders specified in the offer other than the Seller (**Continuing Shareholders**), inviting them to apply in writing within the period from the date of receipt of the offer to the date 10 Business Days after the date of receipt of the offer (inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy Each Shareholder shall have the option, but not the obligation, to indicate that he would be willing to acquire, at the price stated in the notice, a number of shares in excess of the proportion to which he is entitled (an **Excess Application**)

4 7 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder in the proportion which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have applied for Sale Shares If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under this **article 4.7** shall be conditional on the fulfilment of the Minimum Transfer Condition Once such applications have been satisfied in full, the Board shall allocate the balance of the Sale Shares to each Continuing Shareholder who has submitted an Excess Application in proportion to which his existing holding of Shares bears to the total number of Shares held by those Continuing Shareholders who have submitted Excess Applications for Sale Shares Fractional entitlements shall be rounded to the nearest whole number No allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy

4 8 If only some of the Sale Shares are allocated in accordance with **article 4.7**, but there are applications for Sale Shares that have not been satisfied, those Sale Shares shall be allocated to the relevant applicant(s) in accordance with the procedure set out in this **article 4.7**

4 9 If, at the end of the Offer Period, the total number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their applications The balance (**Surplus Shares**) shall be offered to any other person

- 4 10 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for is less than the number of Sale Shares, the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under **article 4.7** stating that the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect

If

- 4 10 1 the Transfer Notice does not include a Minimum Transfer Condition, and

- 4 10 2 allocations have been made in respect of all the Sale Shares,

the Board shall, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**) The Allocation Notice shall specify the number of Sale Shares allocated to each Applicant and the place and time for completion of the transfer of the Sale Shares (which shall be at least 20 Business Days not more than 28 Business Days after the date of delivery of the offer made pursuant to **article 4.7 (Completion Timeframe)**)

- 4 11 The Seller shall, within the Completion Timeframe, and against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it

If the Seller fails to comply with this **article 4.11**

- 4 11 1 the Chairman of the Company (or, failing him, one of the Directors, or some other person nominated by a resolution of the Board) may, on behalf of the Seller

- (a) complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants,
- (b) receive the Transfer Price and give a good discharge for it, and
- (c) (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them, and

- 4 11 2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) for the Seller until he has delivered his certificate for the relevant Shares (or an indemnity, in a form reasonably satisfactory to the Board, in respect of any lost certificate, together with such other evidence (if any) as the Board may reasonably require to prove good title to those Shares) to the Company

- 4 12 If an Allocation Notice does not relate to all the Sale Shares then, subject to **article 4.13** and within 4 weeks following service of the Allocation Notice, the

Seller may transfer the Surplus Shares to any person at a price at least equal to the Transfer Price. The sale of the Surplus Shares in accordance with this **article 4.12** shall continue to be subject to any Minimum Transfer Condition.

4 13 The Seller's right to transfer Shares under **article 4.12** does not apply if the Board reasonably considers that

4 13 1 the transferee is a person (or a nominee for a person) who, in its absolute discretion, is a competitor with (or an Associate of a competitor with) the business of the Company or with a Subsidiary Undertaking of the Company, or

4 13 2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee, or

4 13 3 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board to enable it to form the opinion mentioned above

4 14 The restrictions imposed by **article 4.1** may be waived in relation to any proposed transfer of Shares with the consent in writing of holders of at least 75% of Shares in issue

## 5 VALUATION

5 1 If no Transfer Price is specified in a Transfer Notice, or if a Deemed Transfer Notice (other than in the case of **article 6.3**) is served, then, on service of the Transfer Notice or, in the case of a Deemed Transfer Notice, on the date on which the Board first has actual knowledge of the facts giving rise to the service of such a notice, the Board shall either

5 1 1 appoint an Independent Expert to determine the fair value of the Sale Shares, or

5 1 2 if the fair value has been determined by an Independent Expert within the preceding 26 weeks, specify that the fair value of the Sale Shares shall be calculated by dividing that fair value by the number of Sale Shares to which it related and multiplying such fair value by the number of Sale Shares the subject of the Transfer Notice

5 2 The fair value of the Sale Shares shall be determined by the Independent Expert on the following assumptions and bases

5 2 1 the fair value of each share shall be the sum which a willing buyer would agree with a willing seller to be the purchase price for all the class of shares of which the Shares form part, divided by the number of issued Shares then comprised in that class,

5 2 2 there shall be no addition of any premium or subtraction of any discount by reference to the size of the holding the subject of the

Offer Notice or in relation to any restrictions on the transferability of the shares,

- 5.2 3 the shares are sold free of all restrictions, liens, charges and other Encumbrances, and
- 5.2 4 the sale is taking place on the date the Independent Expert were requested to determine the fair value
- 5 3 The Independent Expert shall be requested to determine the fair value within 20 Business Days of their appointment and notify the Board of their determination
- 5 4 Subject to any confidentiality provisions, the Independent Expert may have access to all accounting records or other relevant documents of the Company
- 5 5 The Independent Expert's determination shall be final and binding on the parties (in the absence of fraud or manifest error)
- 5.6 The costs of the Independent Expert shall be borne by the Seller and the transferee(s) equally or in such other proportion as determined by the Independent Expert

## 6 COMPULSORY TRANSFERS

- 6.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be regarded as giving a Deemed Transfer Notice in relation to such Shares at such time as the Directors determine
- 6 2 In the event of an arrangement or composition being made with a Shareholder's creditors, or where a Shareholder otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, that such Shareholder shall be regarded as giving a Deemed Transfer Notice in respect of all Shares held by it at such time as the Directors determine

[If the Sale Shares are subject to a Minimum Transfer Condition, any allocation made under **article 4.6** shall be conditional on the fulfilment of the Minimum Transfer Condition

- 6 3 Save as provided in this article and in **article 6.4**, if an Employee Shareholder ceases to act on behalf of the Company as an employee, consultant or Director of the Company, that departing employee shareholder and his Permitted Transferees will (unless the Board unanimously decides otherwise) be deemed to have given a Transfer Notice to the Company to sell at par the number of sale shares determined as set out below on the Termination Date Subject to this article and **article 6.4**, the number of Shares the subject of the Transfer Notice shall, unless the Board unanimously decides otherwise, be determined as follows



- 6.3.1 100% of the Shares held by the Departing Employee Shareholder and his Permitted Transferees if the Effective Termination Date occurs within 12 months of the Vesting Start Date for that Departing Employee Shareholder,
- 6.3.2 66% of the Shares held by the Departing Employee Shareholder and his Permitted Transferees if the Effective Termination Date occurs after 12 months but within 24 months of the Vesting Start Date for that Departing Employee Shareholder,
- 6.3.3 33% of the Shares held by the Departing Employee Shareholder and his Permitted Transferees if the Effective Termination Date occurs after 24 months but within 36 months of the Vesting Start Date for that Departing Employee Shareholder,
- 6.3.4 0% of the Shares held by the Departing Employee Shareholder and his Permitted Transferees if the Effective Termination Date occurs after 36 months of the Vesting Start Date for that Departing Employee Shareholder

Provided that if Departing Employee Shareholder is a Bad Leaver then unless the Board unanimously decides otherwise, the number of Shares the subject of the Transfer Notice shall be 100% of the Shares held by the Departing Employee Shareholder and his Permitted Transferees and the Transfer Price shall be the higher of (i) the par value of Shares held by the Departing Employee Shareholder and his Permitted Transferees and the (ii) the price paid by of the Shares by the Departing Employee Shareholder.

- 6.4 **Articles 6.3.1 to 6.3.4 (inclusive)** shall not apply to 50% of the Shares held by each Founder Shareholder on the date of adoption of these Articles and such Shares held by the Founder Shareholder (and his Permitted Transferee) shall be exempted from the operation of **article 6.3**

## **7 PERMITTED TRANSFERS**

- 7.1 Notwithstanding **article 4**, a Shareholder may transfer all or any Shares in accordance with this **article 7**, provided that no such transfer shall be made (i) unless written notice thereof has been given to the Company in advance, or (ii) where in relation to the proposed transferor he is a Bad Leaver
- 7.2 Any Shareholder who is an individual may transfer any Share to (i) the trustees of that Shareholder's Family Trust or (ii) to some other Privileged Relation of that Shareholder or (iii) to a company in which that Shareholder is the legal and beneficial owner of all of the issued share capital
- 7.3 Where any Share is held by trustees of a Family Trust, it may on any change of trustees be transferred to the new trustees of such Family Trust



- 7.4 The trustees of a Family Trust may transfer any Share held by them in that capacity to a person who has an immediate beneficial interest under the Family Trust or to a Privileged Relation of such beneficiary
- 7.5 The legal personal representative of any Shareholder may transfer any Shares to the trustees of that deceased Shareholder's Family Trust or to some other Privileged Relation of that deceased Shareholder
- 7.6 Any Shareholder who is an individual may transfer any Shares to any company in which he is the sole shareholder
- 7.7 Any Shareholder which is an undertaking (as defined in section 1161 of the Act) may transfer any Share to a Member of the same Group.
- 7.8 Any Share may be transferred without restriction by a Shareholder to a person to hold such Share as its nominee but any transfer by such nominee shall be subject to the same restrictions as if such transfer were a transfer by the relevant Shareholder
- 7.9 Any Share may be transferred without restriction by a nominee or trustee to the beneficial owner of such Share or to another nominee or trustee of the same beneficial owner.
- 7.10 Any Share may be transferred to a charity registered with The Charity Commission for England and Wales, The Office of the Scottish Charity Regulator or The Charity Commission for Northern Ireland
- 7.11 Any Share may be transferred by any Shareholder which is a fund, partnership, company, syndicate or other entity whose principal business is to make investments (**Investment Fund**) and whose business is managed by a person whose principal business is to make, manage or advise upon investments
  - 7.11.1 to any trustee, nominee or custodian of that Investment Fund and vice versa,
  - 7.11.2 to an investor in that Investment Fund,
  - 7.11.3 to any unit-holder, shareholder, partner or participant in or manager or adviser (or an employee of such manager or adviser) of that Investment Fund or a co-investment plan which invests alongside such Investment Fund, provided that, except upon a distribution of assets in specie by such Investment Fund upon a re-organisation or otherwise, such transfer may only be effected to any competitor of the Company with the prior approval of the directors; or
  - 7.11.4 to another Investment Fund or its trustee, nominee or custodian, managed or advised by the same manager or adviser as the Investment Fund or to any co-investment plan which invests alongside such Investment Fund

- 7 12 Any Share may be transferred to any person with the prior written consent of Shareholders holding 90% of the issued Shares
- 7 13 If a Shareholder holding any Share transferred to it under **articles 7.2 to 7.9** ceases to be a Permitted Transferee of the original Shareholder who held such Share and does not, prior to so ceasing, transfer such Share to the original Shareholder or to another Permitted Transferee of the original Shareholder, such Shareholder shall without delay notify the Company that such event has occurred and shall be deemed to have served a Transfer Notice on the Company in respect of such Share

## 8 TAG ALONG

- 8 1 No transfer (other than a Permitted Transfer) of any Shares held by any Shareholder may be made or validly registered (a **Selling Shareholder**) unless the Selling Shareholder has observed the procedures set out in this **Article 8**
- 8 2 The Selling Shareholder shall give each Shareholder at least 21 days' notice in advance of the proposed sale (a **Tag Along Notice**) The Tag Along Notice shall specify:
- 8 2 1 the identity of the proposed purchaser (**Buyer**),
  - 8 2 2 the price per share that the Buyer proposes to pay,
  - 8 2 3 the manner in which the consideration is to be paid, and
  - 8 2.4 the number of Shares that the Selling Shareholder proposes to sell
- 8 3 Each Shareholder shall, within five Business Days following receipt of the Tag Along Notice, notify the Selling Shareholder that it wants to sell a certain number of Shares held by it at the proposed sale price Such notification shall be made by delivering a written counter-notice to the Selling Shareholder which shall specify the number of Shares that the Shareholder wants to sell The maximum number of shares that a Shareholder can sell under this procedure shall be

**X/Y x Z**

where

**X** is the number of Shares held by the Shareholder

**Y** is the total number of Shares

**Z** is the number of Shares the Selling Shareholder proposes to sell

- 8 4 Any Shareholder that does not send a counter-notice within that 21 day period shall be deemed to have specified that they do not want to sell any Shares



8 5 After the expiry of 21 days from the date that the Shareholders receive the Tag Along Notice, the Selling Shareholder shall be entitled to sell to the Buyer (on the terms notified to the Shareholders) a number of shares not exceeding the number specified in the Tag Along Notice, less any Shares that the Shareholders have indicated that they want to sell. Provided that, at the same time, the Buyer (or another person) buys from the Shareholders the number of Shares that they have respectively indicated they want to sell on terms no less favourable than those obtained by the Selling Shareholder from the Buyer

8 6 No sale by the Selling Shareholder shall be made pursuant to any Tag Along Notice more than 3 months after service of that Tag Along Notice

8 7 Sales made in accordance with this Article shall not be subject to **Article 4.1**.

## 9 **DRAG ALONG**

9 1 If the holders of at least 75% of the Shares in issue for the time being (**Selling Shareholders**) wish to transfer all of their interest in Shares (**Sellers' Shares**) to a bona fide arm's length purchaser (**Proposed Buyer**), the Selling Shareholders may require all the other Shareholders (**Called Shareholders**) to sell and transfer all their shares to the Proposed Buyer (or as the Proposed Buyer) directs in accordance with the provisions of this article (**Drag Along Option**)

9 2 The Selling Shareholders may exercise the Drag Along Option by giving written notice to that effect (**Drag Along Notice**) at any time before the transfer of the Sellers' Shares to the Proposed Buyer. The Drag Along Notice shall specify that:

9 2 1 the Called Shareholders are required to transfer all their Equity Shares (**Called Shares**) pursuant to this **article 9**,

9 2 2 the person to whom the Called Shares are to be transferred;

9 2 3 the consideration payable for the Called Shares (which may include non-cash consideration); and

9 2 4 the proposed date of the transfer

9 3 Once issued, a Drag Along Notice shall be irrevocable, however, a Drag Along Notice shall lapse if, for any reason, the Selling Shareholders have not sold the Sellers' Shares to the Proposed Buyer within 28 days of serving the Drag Along Notice. The Selling Shareholders may serve further Drag Along Notices following the lapse of any particular Drag Along Notice

9 4 No Drag Along Notice shall require a Called Shareholder to agree to any terms except:

9 4 1 those specifically set out in this **article 9**; and



- 9.4.2 a warranty as to title to the Called Shares and capacity of the Called Shareholders
- 9 5 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares (**Completion Date**) unless
- 9 5 1 all of the Called Shareholders and the Selling Shareholders agree otherwise, or
- 9 5 2 that date is less than 28 days after the Drag Along Notice, in which case completion of the sale shall be delayed until the 28 day after 10 Business Days of the Drag Along Notice
- 9 6 The rights of pre-emption set out in these Articles shall not apply to any transfer of shares to a Proposed Buyer (or as it may direct) pursuant to a sale for which a Drag Along Notice has been duly served
- 9 7 Within 28 days of the Proposed Buyer serving a Drag Along Notice on the Called Shareholders, the Called Shareholders shall deliver stock transfer forms for the Called Shares, together with the relevant share certificate (or a suitable indemnity for any lost share certificate) to the Company. On the Completion Date, the Company shall pay the Called Shareholders, on behalf of the Proposed Buyer, the amounts they are due to the extent that the Proposed Buyer has put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Proposed Buyer
- 9 8 To the extent that the Proposed Buyer has not, on the Completion Date, put the Company in funds to pay the consideration due, the Called Shareholders shall be entitled to the return of the stock transfer form and share certificate (or suitable indemnity) for the relevant Called Shares and the Called Shareholders shall have no further rights or obligations under this **article 9** in respect of their Shares.
- 9 9 If any Called Shareholder does not, on completion of the sale of the Called Shares, execute transfer(s) in respect of all of the Called Shares held by it, the defaulting Called Shareholder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Company to be the Called Shareholder's agent and attorney to execute all necessary transfer(s) on the Called Shareholder's behalf, against receipt by the Company (on trust for such holder) of the consideration payable for the Called Shares, and to deliver such transfer(s) to the Proposed Buyer (or as they may direct) as the holder thereof. After the Proposed Buyer (or its nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. Failure to produce a share certificate shall not impede the registration of shares under this **article 9.9**.
- 9 10 Following the issue of a Drag Along Notice, on any person becoming a Shareholder of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company, or on the conversion of any convertible



security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice. The New Shareholder shall then be bound to sell and transfer all Shares acquired by it to the Proposed Buyer (or as the Proposed Buyer may direct) and the provisions of this **article 9** shall apply with the necessary changes to the New Shareholder, except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

## **DIRECTORS**

### **10 UNANIMOUS DECISIONS**

- 10 1 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.
- 10 2 Such a decision may take the form of a resolution in writing, where each eligible director has signed one or more copies of it, or to which each eligible director has otherwise indicated agreement in writing.
- 10 3 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

### **11 CALLING A DIRECTORS' MEETING**

- 11 1 Any director may call a directors' meeting by giving not less than 2 business days notice of the meeting (or such lesser notice as all the directors may agree) to the directors or by authorising the company secretary (if any) to give such notice.
- 11.2 Notice of any director's meeting must indicate the proposed date and time of the meeting and where it is to take place.

### **12 QUORUM FOR DIRECTORS' MEETINGS**

- 12 1 Subject to **article 12.2**, the quorum for the transaction of business at a meeting of directors is any two Eligible Directors.
- 12 2 For the purposes of any meeting (or part of a meeting) held pursuant to **article 15** to authorise a director's conflict, if there is only one Eligible Director in office other than the conflicted director(s), the quorum for such meeting (or part of a meeting) shall be one eligible director.
- 12 3 If the total number of directors for the time being is less than the quorum required the directors must not take any decision other than a decision to appoint further directors or to call a general meeting so as to enable the shareholders to appoint further directors.



### 13 CASTING VOTE

- 13 1 If the numbers of votes for and against a proposal at a meeting of directors are equal, the chairman or other director chairing the meeting has a casting vote
- 13 2 **Article 13.1** shall not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the chairman or other director is not an Eligible Director for the purposes of that meeting (or part of a meeting).

### 14 TRANSACTIONS OR OTHER ARRANGEMENTS WITH THE COMPANY

- 14 1 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a director who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the company
- 14 1 1 may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise (directly or indirectly) interested,
- 14 1 2 shall be an Eligible Director for the purposes of any proposed decision of the directors (or committee of directors) in respect of such contract or proposed contract in which he is interested,
- 14.1.3 shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision, in respect of such contract or proposed contract in which he is interested,
- 14 1 4 may act by himself or his firm in a professional capacity for the company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director,
- 14 1 5 may be a director or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the company is otherwise (directly or indirectly) interested, and
- 14.1 6 shall not, save as he may otherwise agree, be accountable to the company for any benefit which he (or a person connected with him (as defined in section 252 of the Act)) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any such body corporate and no such contract, 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

## 15 DIRECTORS' CONFLICTS OF INTEREST

15 1 The directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any director which would, if not authorised, involve a director (an **Interested Director**) breaching his duty under section 175 of the Act to avoid conflicts of interest (**Conflict**)

15 2 Any authorisation under this **article 15** will be effective only if

15 2 1 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,

15 2 2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director, and

15.2 3 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

15 3 Any authorisation of a Conflict under this **article 15** may (whether at the time of giving the authorisation or subsequently)

15.3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised,

15 3 2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the directors or otherwise) related to the Conflict,

15.3.3 provide that the Interested Director shall or shall not be an Eligible Director in respect of any future decision of the directors in relation to any resolution related to the Conflict,

15 3 4 impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the directors think fit,

15 3 5 provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a director of the company) information that is confidential to a third party, he will not be obliged to disclose that information to the company, or to use it in relation to the company's affairs where to do so would amount to a breach of that confidence, and

15.3 6 permit the Interested Director to absent himself from the discussion of matters relating to the Conflict at any meeting of the directors and be

excused from reviewing papers prepared by, or for, the directors to the extent they relate to such matters.

- 15 4 Where the directors authorise a Conflict, the Interested Director will be obliged to conduct himself in accordance with any terms and conditions imposed by the directors in relation to the Conflict
- 15 5 The directors may revoke or vary such authorisation at any time, but this will not affect anything done by the Interested Director, prior to such revocation or variation, in accordance with the terms of such authorisation
- 15 6 A director is not required, by reason of being a director (or because of the fiduciary relationship established by reason of being a director), to account to the company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the directors or by the company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds

## **16 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 may be available to be read with the naked eye for at least ten years from the date of the resolution, meeting or decision (as appropriate).

## **17 APPOINTMENT OF DIRECTORS**

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

## **18 SECRETARY**

The directors may appoint any person who is willing to act as the secretary for such term, at such remuneration and upon such conditions as they may think fit and from time to time remove such person and, if the directors so decide, appoint a replacement, in each case by a decision of the directors

## **DECISION MAKING BY SHAREHOLDERS**

## 19 **POLL VOTES**

- 19 1 A poll may be demanded at any general meeting by any Qualifying Person present and entitled to vote at the meeting

## 20 **PROXIES**

- 20 1 Article 45(1) (d) of the Model Articles shall be deleted and replaced with the words "is delivered to the company in accordance with the Articles not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in accordance with any instructions contained in the notice of the general meeting (or adjourned meeting) to which they relate"
- 20 2 Article 45(1) of the Model Articles shall be amended by the insertion of the words "and a proxy notice which is not delivered in such manner shall be invalid, unless the directors, in their discretion, accept the notice at any time before the meeting" as a new paragraph at the end of that article

## **ADMINISTRATIVE ARRANGEMENTS**

### 21 **MEANS OF COMMUNICATION TO BE USED**

- 21.1 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient
- 21 1 2 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 48 hours after it was posted (or five business days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five business days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider),
- 21 1 3 if properly addressed and sent or supplied by electronic means, twenty four hours after the document or information was sent or supplied, and

For the purposes of this article, no account shall be taken of any part of a day that is not a working day

### 22 **INDEMNITY**

- 22 1 Subject to **article 22.2**, but without prejudice to any indemnity to which a relevant officer is otherwise entitled
- 22 1 1 each relevant officer may 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 execution and/or discharge of his

duties, or in relation to them including (in each case) any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which 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

22 1 2 the company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in **article 22.1.1** and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure

22 2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Act or by any other provision of law

22 3 In this article

22 3 1 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and

22 3 2 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).

## 23 **INSURANCE**

23 1 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

23 2 In this article

23 2 1 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)

23 2 2 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

23 2 3 companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate

