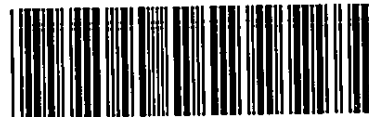


Company Number: 08882249

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COMPANIES HOUSE

**PRIVATE COMPANY LIMITED BY SHARES**  
**WRITTEN RESOLUTIONS**  
**- OF -**  
**ROSSLYN DATA TECHNOLOGIES LTD**  
**(the "Company")**

**Circulation Date: 8 April 2014**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose the following written resolutions which are proposed, in the case of resolutions 1, 2 and 3, as ordinary resolutions and, in the case of resolutions 4 and 5, as special resolutions (the "Resolutions"):

**ORDINARY RESOLUTIONS**

1. THAT the existing ordinary share of £0.01 in the share capital of the Company be subdivided into two ordinary shares of £0.005 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary share of £0.01 in the capital of the Company as set out in the Company's articles of association.
2. THAT in place of any existing authority given to directors (but without prejudice to the continuing authority of the directors to allot equity securities pursuant to an offer or agreement made by the Company before the expiry of the authority pursuant to which such offer or agreement was made), the directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company pursuant to a share for share exchange agreement to be entered into between the Company and the shareholders of Rosslyn Analytics Limited ("RAL") on or around the date of this resolution, up to a maximum aggregate nominal amount of £221,391.11 provided that this authority shall expire on 31 May 2014, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the board may allot shares in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired.
3. THAT the purchase by the Company of the entire issued share capital of RAL, being a private limited company connected with each of the directors of the Company, on the terms set out in the share for share exchange agreement appended hereto to be entered into between the Company and the shareholders of RAL, be and is hereby approved for all purposes including, without limitation, for the purposes of section 190 of the Act, and that the directors be authorised to complete such purchase and execute all necessary documents in relation to it notwithstanding that certain of the Company's directors, Charles Clark, Hugh Cox, John O'Hara and Jeffrey Sweetman are shareholders of RAL.

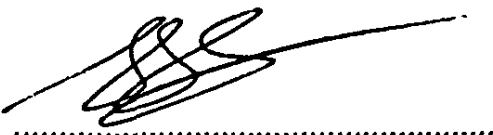
### **SPECIAL RESOLUTIONS**

4. THAT, subject to and conditional on the passing of resolution 2 above, the directors be authorised pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority given by resolution 2 above as if section 561(1) of the Act did not apply to any such allotment or sale provided that this authority shall be limited to the allotment of shares pursuant to the authority contained in resolution 2. This authority shall (unless previously renewed, varied or revoked by the Company in general meeting) expire at the conclusion of the next annual general meeting of the Company following the date of this resolution or, if earlier, on the date which is six months after the date of this resolution, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares sold, after such expiry and the directors may allot equity securities or sell treasury shares in pursuance of any such offer or agreement as if the authority conferred by this Resolution had not expired.
5. THAT the draft regulations attached to this Resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

### **AGREEMENT**

Please read the notes below before signifying your agreement to the Resolutions set out above.

The undersigned person, being the member of the Company entitled to vote on the Resolutions on the circulation date set out above, hereby irrevocably agrees to the Resolutions:



Hugh Cox

Date: 8/4/2014

Company number 08882249

**The Companies Acts 1985 - 2006**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**

of

**ROSSLYN DATA TECHNOLOGIES LTD**

(Adopted by Written Special Resolution dated **8 APRIL** 2014)

**1 Interpretation**

1.1 In these Articles the following expressions have the following meanings unless inconsistent with the context

“**A Preference Shares**” means the means the convertible preference shares of £0.005 each in the capital of the Company,

“**A Preference Shareholder**” means each holder of A Preference Shares,

“**Acting in Concert**” bears the meaning given to it in The City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares published by the Panel on Takeovers and Mergers (as amended from time to time),

“**Angel Director**” means a director appointed pursuant to Article 17.5,

“**Arrears**” means all arrears, accruals and deficiencies of any dividend or other sums payable in respect of the relevant Share whether or not earned or declared and irrespective of whether or not the Company has had, at any time, sufficient distributable profits to pay such dividend or sums, together with all interest and other amounts payable thereon,

“**Articles**” means these Articles of Association, whether as originally adopted or as from time to time altered by special resolution,

“**Asset Sale**” means the disposal by the Company of all or substantially all of its undertaking and assets,

**“Auditors”** means the auditors of the Company for the time being or, if the Company has lawfully not appointed auditors, its accountants for the time being, or, if in either case such firm is unable or unwilling to act in any particular case, such firm of chartered accountants as may be agreed between the directors of the Company and the proposing transferor (as defined in Article 7 1) or, in default of agreement, as may be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales or any successor body,

**“Available Profits”** means profits available for distribution within the meaning of section 830 of CA 2006,

**“Bad Leaver”** means an Employee Member who ceases to be a director or employee of or consultant to the Company or any of its subsidiaries in circumstances where the Employee Member is

- (a) dismissed or his office or contract for services is terminated pursuant to the terms of his service or employment contract, letter of appointment or contract for services (as the case may be) by reason of him being accepting that he is liable for or him being found by a court of competent jurisdiction to be liable of any fraud, dishonesty, gross negligence, gross misconduct or any other conduct tending to bring the Company and/or himself into serious disrepute, or
- (b) dismissed or his office or contract for services is terminated pursuant to the terms of his service or employment contract, letter of appointment or contract for services (as the case may be) without notice (not including circumstances whereby notice is required to be given but payment in lieu of such notice is provided by the Company), or
- (c) resigns without just cause (as determined by the Board acting reasonably),

and does not continue as either a director, officer, employee or consultant in relation to any of them,

**“Base Rate”** means the base lending rate of National Westminster Bank plc from time to time,

**“Base Return”** means such sum as is required to give each A Preference Shareholder gross (before any deduction of tax) a sum equal to 25% IRR on its Invested Funds,

**“Board”** means the board of directors of the Company from time to time acting by the resolution of a duly convened and quorate meeting,

**“Business Angel”** has the meaning set out in the Investment Agreement,

**“Business Days”** means any day other than a Saturday, Sunday or English bank holiday,

**“CA 2006”** means the Companies Act 2006 and any statutory modification or re-enactment thereof from time to time in force,

**“clear days”** in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect,

**“communication”** has the same meaning as in the Electronic Communications Act 2000,

**“Controlling Interest”** means an interest in Shares conferring in the aggregate 50% or more of the total voting rights conferred by all the issued Shares in the Company,

**“directors”** means the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors 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),

**“Employee Benefit Trust”** means any trust set up by the Company from time to time following a recommendation of the directors to hold Equity Shares and to transfer them (or to grant options to acquire them) to employees, officers or consultants of the Company,

**“Employee Member”** means a person who is or has been a director and/or an employee of and/or a consultant to the Company or any of its subsidiaries,

**“Equity Shares”** or **“Shares”** means the Ordinary Shares and / or the A Preference Shares as the context requires,

**“executed”** means any mode of execution,

**“Exit”** means an Asset Sale, Share Sale or IPO or winding up of the Company,

**“Family Trust”** means any trust which permits the settled property or the income therefrom to be applied only for the benefit of

(a) the settlor and/or a Privileged Relation of that settlor, or

- (b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities),

and under which no power of control is capable of being exercised over the votes of any Shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor For the purposes of this definition “**settlor**” includes a testator or an intestate in relation to a Family Trust arising respectively under a settlement, testamentary disposition or an intestacy of a deceased member,

“**Fund Director**” means a director appointed pursuant to Article 17 4,

“**Fund Investor**” has the meaning set out in the Investment Agreement,

“**Good Leaver**” means an Employee Member who ceases to be a director or employee of or consultant to the Company or any of its subsidiaries in circumstances where the Employee Member and does not continue as either a director, officer, employee or consultant in relation to any of them in circumstances where he is not a Bad Leaver,

“**Group**” means any subsidiary of any corporate member and any holding company of any corporate member or any other subsidiary of any holding company of such corporate member and references to “**members of the Group**” shall be construed accordingly,

“**holder**” in relation to Shares means the member whose name is entered in the register of members as the holder of the Shares,

“**holding company**” has the meaning set out in section 1159 CA 2006,

“**Invested Funds**” means in relation to an A Preference Shareholder at any time, the aggregate Issue Price of any A Preference Shares held by it together with the aggregate amount of any loans then made or advanced (as the case may be) or treated as made or advanced (as the case may be) by such A Preference Shareholder to the Company from time to time provided that no accrued interest (whether paid or unpaid) on any such loan (or part thereof) shall be included in any calculation of the Invested Funds,

“**Investment Agreement**” means an investment and shareholders’ agreement relating to the Company between the Managers (as defined therein) (1), the Other Shareholders (as defined therein) (2), the Company (3), the Fund Investor (4) and the Business Angel (as defined

therein) (5) dated on or around the date of adoption of these Articles as amended, supplemented or superseded from time to time,

**“Investment Date”** means the date of adoption of these Articles,

**“Investment Fund”** means a fund, partnership, company, syndicate or other entity whose principal business is to make investments and whose business is managed by an Investment Manager,

**“Investment Manager”** means a person whose principal business is to make, manage or advise upon investments,

**“Investors”** has the meaning set out in the Investment Agreement,

**“Investor Majority”** means the holders of at least 75% in nominal value of the A Preference Shares in issue,

**“IPO”** means an initial public offering of Shares of the Company on a recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000) and any other investment exchange on which shares are publicly traded as approved by an Investor Majority,

**“IRR”** means the annualised discount rate that when applied to before tax cash flows of the holders of A Preference Shares produces a net present value of zero, having adopted the convention of designating outflows from an A Preference Shareholder as negative and inflows to an A Preference Shareholder as positive, outflows from an A Preference Shareholder will include all Invested Funds of such holder, inflows to an A Preference Shareholder will include, without limitation any interest on any loans advanced by such A Preference Shareholder to the Company from time to time, redemption of such loans and distributions to an A Preference Shareholder in respect of its’ A Preference Shares IRR shall be calculated using month end cash flows and the XIRR function in Microsoft Excel 2007 (or any successor version),

**“Issue Price”** in relation to any share issued under the Share Exchange means the amount paid up or credited as paid up on the shares in Rosslyn Analytics Limited transferred to the Company in consideration for such issue, and in relation to any other share means the amount paid up or credited as paid up on it (including the full amount of any premium at which such share was issued whether or not such premium is or has been applied for any purpose after that) For the avoidance of doubt, the issue price of each share issued under the Share

Exchange shall be one eighth of the issue price of the Rosslyn Analytics Limited share held by the shareholder immediately prior to the Share Exchange,

**“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,

**“New Securities”** means any Shares or Rights issued by the Company after the date of adoption of these Articles (other than Shares or securities issued as a result of any of the events set out below

- 1 1 1 options to subscribe for Shares under the Share Plan and the allotment and issue of Shares pursuant to the exercise of such options,
- 1 1 2 any Shares issued or granted in order for the Company to comply with its obligations under these Articles including, but not limited to the Anti-Dilution Shares and issued in accordance with Article 5,
- 1 1 3 any Shares issued in consideration of the acquisition by the Company of any company or business which has been approved in writing by an Investor Majority,
- 1 1 4 any Shares issued as a result of a bonus issue of Shares which has been approved in writing by an Investor Majority, and
- 1 1 5 Shares, warrants or options for Shares issued or granted to the Fund Investor or other parties in accordance with the terms of or as set out or referred to in the Investment Agreement,

**“office”** means the registered office of the Company,

**“Ordinary Shares”** means the ordinary shares of £0 005 each in the capital of the Company,

**“Permitted Transfer”** means a transfer of Shares authorised by Article 8 and **“Permitted Transferee”** shall be construed accordingly,

**“Privileged Relation”** in relation to a member means the spouse or widow or widower of the member and the member’s children and grandchildren (including step and adopted children and their issue) and step and adopted children of the member’s children,



**“Qualifying IPO”** means an IPO raising at least £10 million at a price per share of at least three times the Issue Price (adjusted as appropriate from time to time in the case of any consolidation, subdivision or reduction of capital, capitalisation issue or other share capital re-organisation of the Company),

**“Realisation Return”** means an amount equal to the Issue Price of any A Preference Share compounded by the Base Rate for the period commencing on the allotment and issue of such A Preference Share and expiring on the completion of the IPO,

**“relevant officer”** means any 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) CA 2006), 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),

**“Rights”** means rights to subscribe for, or to convert any security into, any Shares,

**“seal”** means the common seal of the Company (if any),

**“secretary”** means the secretary of the Company (if any) or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary,

**“Share Exchange”** means the transfer of each of the issued ordinary shares of £0 0001 each in the capital of Rosslyn Analytics Limited in exchange for the issue of 8 Ordinary Shares by the Company and the transfer of each of the issued A preference shares of £0 0001 each in the capital of Rosslyn Analytics Limited in exchange for the issue of 8 A Preference Shares by the Company,

**“Share Exchange Date”** means the date of completion of the Share Exchange,

**“Share Plan”** means any scheme for the grant of HM Revenue & Customs approved or unapproved share options or Enterprise Management Incentive share options pursuant to Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 to employees, officers or consultants of the Company or any subsidiary of the Company established and amended from time to time ,

**“Share Sale”** shall mean the sale of (or the grant of a right to acquire or to dispose of) any of the Shares in the capital of the Company (in one transaction or as a series of transactions)

which will result in the purchaser of such Shares (or grantee of such right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company save where

- (a) following completion of such sale the shareholders in such purchase and the proportion of Shares held by each in such purchase are the same as the shareholders and their shareholdings in the Company immediately prior to such sale,
- (b) the purchaser is an existing shareholder of the Company and is acquiring a Controlling Interest or is increasing a Controlling Interest position,

**“Starting Price”** means £0.13856475 per A Preference Share,

**“subsidiary”** has the meaning set out in section 1159 CA 2006, and

**“United Kingdom”** means Great Britain and Northern Ireland

1 2 Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Model Articles have the same meanings in these Articles, subject to which and unless the context otherwise requires, words and expressions which have particular meanings in CA 2006 have the same meanings in these Articles

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

1 4 A reference in these Articles to an “Article” is a reference to the relevant Article of these Articles unless expressly provided otherwise

1 5 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 5 1 any subordinate legislation from time to time made under it, and

1 5 2 any amendment or re-enactment and includes any statute, statutory provision or subordinate legislation which it amends or re-enacts

1 6 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 7 The Model Articles apply to the Company, except in so far as they are modified or excluded by these Articles

1 8 Articles 11(2) and (3), 13, 14(1), (2), (3) and (4), 17(2), 44(2), 49, 52 and 53 of the Model Articles do not apply to the Company

## 2 **Liability of the members**

2 1 The liability of the members is limited to the amount, if any, unpaid on the Shares held by them

## 3 **Share capital**

3 1 Save to the extent authorised from time to time by an ordinary resolution of the shareholders or by a written resolution in accordance with section 282(2) CA 2006, the directors shall not exercise any power to allot Shares or to grant Rights

3 2 Save in respect of any Shares to be allotted to any Employee Benefit Trust, to any Employee Member pursuant to any Share Plan or to the holders of A Preference Shares pursuant to Article 4 2 4, or subject to any special resolution of the Company or the written consent of an Investor Majority to dis-apply this Article 3 2, all Shares which the directors propose to issue shall be dealt with in accordance with the following provisions of this Article 3 2

3 2 1 any Shares proposed to be issued shall first be offered to the members in proportion to the number of existing Shares held by them respectively, unless the Company shall by special resolution otherwise direct,

3 2 2 each such offer shall be made by notice specifying the total number of Shares being offered to the members as a whole, the proportionate entitlement of the member to whom the offer is made and the price per Share (which shall be the same for each Share) and shall require each member to state in writing within a period (not being less than fourteen days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said Shares he is willing to take up (up to his proportionate entitlement) For the avoidance of doubt, in the event that the Fund Investor does not take its proportionate entitlement in full, the balance of such entitlement may be taken by one or more persons to whom the Fund Investor would be permitted to transfer its Shares pursuant to Article 8,

3 2 3 an offer if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares After the expiration of such period, any Shares so deemed to be declined (or actually declined) by the holders of Shares shall be offered in the proportion aforesaid to

the holders of Shares who have, within the said period, accepted all the Shares offered to them,

3 2 4 pursuant to such offer and further offer made in accordance with this Article 3 2 no fractions of Shares shall be issued and where any shareholder would be entitled to a fraction of a Share, the directors shall in their absolute discretion determine how such fractions of Shares shall be allocated amongst the shareholders so as to ensure that only whole Shares are issued,

3 2 5 any Shares not taken up following such offer and further offer made in accordance with this Article 3 2 and any Shares released from the provisions of this Article 3 2 by special resolution or written consent in accordance with this Article 3 2 shall be under the control of the directors, who may allot Shares or grant Rights to such persons, on such terms, and in such manner as they think fit

3 3 Pursuant to section 567 CA 2006, the provisions of section 561 CA 2006 (existing shareholders' right of pre-emption) and section 562 CA 2006 (communication of pre-emption offers to shareholders) shall not apply to an allotment of equity securities (as defined in section 560 CA 2006) made by the Company

#### 3 4 Variation of Class Rights

3 4 1 Whenever the share capital of the Company is divided into different classes of share, the special rights attached to any such class may only be varied or abrogated (either whilst the Company is a going concern or during or in contemplation of winding-up) with the consent in writing of the holders of shares of that class carrying more than three-fourths of the total voting rights exercisable by the holders of issued shares of that class

3 4 2 Without prejudice to the generality of this Article, the special rights attached to the A Preference Shares shall be deemed to be varied by the Company

- (i) altering its articles of association,
- (ii) varying in any way (whether directly or indirectly) the rights attached to any of the Shares for the time being in the capital of the Company,
- (iii) applying by way of capitalisation any sum in or towards paying up any share or loan capital of the Company (except as specifically provided for in these Articles),

- (iv) entering into a contract to purchase any of its Shares,
- (v) redeeming or buying in any of its Shares (except as specifically provided for in these Articles), or
- (vi) passing a resolution that it be wound up

#### **4 A Preference Shares**

4 1 The A Preference Shares shall rank *pari passu* in all respects with the Ordinary Shares, save as otherwise set out in this Article 4

#### **4 2 Priority Right to Capital**

4 2 1 If a distribution of the assets on a liquidation or capital reduction or otherwise pro rata amongst the shareholders (taking all classes together as one) would result in the Base Return not being achieved, the assets of the Company remaining after the payment of its liabilities shall be distributed as follows

- (i) first in paying to the holders of the A Preference Shares the Issue Price paid therefor together with any Arrears in respect thereof, and
- (ii) the balance of such assets shall be distributed amongst the holders of the A Preference Shares and the Ordinary Shares *pari passu* as if the same constituted one class of share

For the avoidance of doubt, if a distribution of assets on a liquidation or capital reduction or otherwise pro rata amongst the shareholders (taking all classes together as one) would result in the Base Return being achieved, the assets of the Company remaining after the payment of its liabilities shall be distributed amongst the holders of Shares on a pro rata basis (as if the Shares constituted one class)

4 2 2 In the event of an Asset Sale, the Company shall, unless the Investor Majority otherwise agree in writing, thereupon be wound up and, if a distribution of available assets on a pro rata basis amongst the shareholders (taking all classes together as one) would not achieve the Base Return, then the available assets shall be distributed in accordance with Articles 4 2 1(i) and 4 2 1(ii) For the avoidance of doubt, if a distribution of available assets on such a pro rata basis

would achieve a Base Return then such assets shall be distributed amongst the holders of Shares on a pro rata basis

4 2 3 In the event of a Share Sale, if the total of all and any consideration received (whether in cash or otherwise) in respect of the A Preference Shares and the Ordinary Shares that are the subject of the sale when distributed on a pro rata basis amongst the holders thereof would not achieve a Base Return, then the holders of the A Preference Shares and Ordinary Shares who sell shares in such Share Sale shall procure that such consideration shall be distributed in accordance with Articles 4 2 1(i) and 4 2 1(ii) For the avoidance of doubt, if a distribution of such consideration would achieve a Base Return then such consideration shall be distributed amongst the holders of Shares the subject of the sale on a pro rata basis (as if the Shares constituted one class)

4 2 4 In the event of an IPO which is not a Qualifying IPO, if on such IPO the A Preference Shares (if converted into Ordinary Shares pursuant to Article 4 3 1) would have a listing price on admission which is less than the Realisation Return, then the Company shall allot to each A Preference Shareholder by way of capitalisation of reserves such number of additional Ordinary Shares (disregarding any fraction of a Share) (“New Shares”) as shall result in the aggregate listing price of the A Preference Shares (if converted into Ordinary Shares pursuant to Article 4 3 1) and the New Shares of such A Preference Shareholder on admission being equal to the Realisation Return The New Shares to be allotted under this Article 4 2 4 shall be

- (i) paid up by the automatic capitalisation of any amount standing to the credit of the share premium account or any other available reserve of the Company as determined by the directors and the New Shares shall be issued at par fully paid The capitalisation shall be automatic and shall not require any action on the part of the shareholders of the Company and the directors shall allot the New Shares arising on the capitalisation to the A Preference Shareholders in accordance with this Article, or
- (ii) subscribed at par in cash by each A Preference Shareholder if the Company is not permitted to carry out the capitalisation pursuant to Article 4 2 4(i)

To the extent that the directors do not have the requisite authority to effect the allotment and issue of the New Shares, all shareholders shall vote in favour of the necessary resolution to give the requisite authority to the directors to make such allotment and issue of the New Shares

For the avoidance of doubt, if on such IPO the A Preference Shares (if converted into Ordinary Shares pursuant to Article 4 3 1) will have a listing price on admission which is equal to or greater than the Realisation Return, then no New Shares will be allotted to the A Preference Shareholders under this Article

#### 4 3 Conversion

4 3 1 The A Preference Shares shall be automatically converted in full without need for any resolution of the Board or the members into Ordinary Shares on the basis set out in Article 4 3 2 in the event of

- (i) completion of a Qualifying IPO, or
- (ii) in relation to some or all of the A Preference Shares held by an A Preference Shareholder, the receipt by the Board of a written notice from such A Preference Shareholder requiring such conversion

4 3 2 The A Preference Shares are convertible into Ordinary Shares on the basis of 1 A Preference Share for 1 Ordinary Share, subject to any appropriate adjustment in the event of any subdivision, consolidation, capitalisation or other re-organisation of the share capital

#### 4 4 Adjustment to Issue Price

4 4 1 In the event of any subdivision, consolidation, capitalisation or other re-organisation of the share capital of the Company, the Issue Price of the A Preference Shares shall also be subject to adjustment on such basis as may be agreed by the Company with the Investor Majority within 10 Business Days after any such share capital re-organisation. If the Company and the Investor Majority cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its members. The costs of the Auditors shall be borne by the Company

## 5 Anti-dilution

- 5.1 Subject to Article 5.4, if New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (a “Qualifying Issue”) (which in the event that the New Security is not issued for cash shall be a price certified by the Auditors acting as experts and not as arbitrators as being in their opinion the current cash value of the new consideration for the allotment of the New Securities) then the Company shall, unless and to the extent that any of the A Preference Shareholders shall have specifically waived their rights under this Article in writing, offer (such offer, unless waived, to remain open for acceptance for not less than 15 Business Days) to each A Preference Shareholder (the “Exercising Investor”) the right to receive a number of new A Preference Shares determined by applying the following formula (and rounding the product, N, down to the nearest whole share), subject to adjustment as certified in accordance with Article 5.3 (the “Anti-Dilution Shares”)

(i) 
$$N = \left( \frac{W}{WA} \right) - Z, \text{ or}$$

- (ii) where the Exercising Investor is required to subscribe in cash for any Anti-Dilution Shares in accordance with Article 5.2.2, the following equation shall apply

$$N = \frac{(W - (WA \times Z))}{WA - V}$$

Where

N = the number of Anti-Dilution Shares to be issued,

V = the nominal value of each Anti-Dilution Share,

WA = the weighted average price per share held by the Exercising Investor as calculated by the following formula

$$WA = \frac{(W + M)}{Z + \left( \frac{M}{X} \right)}$$

W = the total amount subscribed prior to the Qualifying Issue (whether in cash or by way of conversion of loan) by each Exercising Investor for A Preference Shares,



- X = the price (if any) at which each New Security is to be issued pursuant to a Qualifying Issue,
- Z = the number of A Preference Shares subscribed by each Exercising Investor prior to the Qualifying Issue,
- M = the aggregate of amounts to be paid in respect of the New Securities issued pursuant to the Qualifying Issue and any amounts paid in respect of all previous Qualifying Issues (if any)

5.2 The Anti-Dilution Shares shall

5.2.1 be paid up by the automatic capitalisation of available reserves of the Company, unless and to the extent that the same shall be impossible or unlawful or the Exercising Investors shall agree otherwise, in which event the Exercising Investors shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by the Fund Director). In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 5.1, the matter shall be referred (at the cost of the Company) to the Auditors for certification of the number of Anti-Dilution Shares to be issued. The Auditor's certification of the matter shall in the absence of manifest error be final and binding on the Company and the Exercising Investor, and

5.2.2 subject to the payment of any cash payable pursuant to Article 5.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing A Preference Shares, within 5 Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 5.2.1

5.3 In the event of any Reorganisation, the Starting Price shall also be subject to adjustment on such basis as may be agreed by the Company with the A Preference Shareholders within 10 Business Days after any Reorganisation. If the Company and the A Preference Shareholders cannot agree such adjustment it shall be referred to the Auditors whose determination shall, in the absence of manifest error, be final and binding on the Company and each of its shareholders. The costs of the Auditors shall be borne by the Company.

5.4 Pay to Play

5.4.1 If the Company makes a Qualifying Issue after the date of adoption of these Articles and each A Preference Shareholder is entitled to participate in such

Qualifying Issue by virtue of its pre-emption rights (whether arising under these Articles or otherwise), if any A Preference Shareholder does not subscribe for the total pro rata number of Shares to which it is entitled to subscribe under such pre-emption rights (ignoring any rights which arise from the failure of another person to subscribe) (or which it would have been entitled to subscribe had such rights not be disapplied or waived) ("**Defaulting Investor**"), the number of Anti-Dilution Shares to which such Defaulting Investor shall be entitled to receive pursuant to Article 5.1 shall be adjusted by the following formula

$$N \times P$$

Where

N = the meaning set out in Article 5.1

P = a percentage calculated in accordance with the following formula

$$P = B / A$$

Where

A = the total number of pro rata Shares that the Defaulting Investor was entitled to subscribe for in the Qualifying Issue under its pre-emption rights (or would have been so entitled to subscribe had they not been disapplied or waived)

B = the total number of Shares actually subscribed by the Defaulting Investor in the Qualifying Issue

## **6 Lien, calls on Shares and forfeiture**

6.1 The Company has a lien (the "**Company's lien**") over every Share to the extent that it is not fully paid, which is registered in the name of any person indebted or under any liability to the Company, whether he is the sole registered holder of the Share or one of several joint holders, for all monies payable by him (either alone or jointly with any other person) to the Company to pay up such Share in full, whether payable immediately or at some time in the future

6.2 The Company's lien over a Share

6.2.1 takes priority over any third party's interest in that Share, and

6 2 2 extends to any dividend or other money payable by the Company in respect of that Share and (if the lien is enforced and the Share is sold by the Company) the proceeds of sale of that Share

6 3 The directors may at any time decide that a Share which is or would otherwise be subject to the Company's lien shall not be subject to it, either wholly or in part

6 4 Enforcement of the Company's lien

6 4 1 Subject to the provisions of this Article, if

- (i) a lien enforcement notice has been given in respect of a Share, and
- (ii) the person to whom the notice was given has failed to comply with it

the Company may sell that Share in such manner as the directors decide

6 4 2 A lien enforcement notice

- (i) may only be given in respect of a Share which is subject to the Company's lien, in respect of which a sum is payable and the due date for payment of that sum has passed,
- (ii) must specify the Share concerned,
- (iii) must require payment of the sum within 14 clear days of the notice,
- (iv) must be addressed to the holder of the Share (or all the joint holders of that Share), and
- (v) must state the Company's intention to sell the Share if the notice is not complied with

6 4 3 Where Shares are sold under this Article 6 4

- (i) the directors may authorise any person to execute an instrument of transfer of the Shares to the purchaser or to a person nominated by the purchaser, and
- (ii) the transferee is not bound to see to the application of the consideration, and the transferee's title is not affected by any irregularity in or invalidity of the process leading to the sale

6 4 4      The net proceeds of any such sale (after payment of the costs of sale and any other costs of enforcing the lien) must be applied

- (i)      first, in payment of so much of the sum for which the lien exists as was payable at the date of the lien enforcement notice, and
- (ii)     second, to the person entitled to the Shares at the date of the sale, but only after the certificate for the Shares sold has been surrendered to the Company for cancellation, or an indemnity in a form reasonably satisfactory to the directors has been given for any lost certificates, and subject to a lien equivalent to the Company's lien for any money payable (whether payable immediately or at some time in the future) as existed upon the Shares before the sale in respect of all Shares registered in the name of such person (whether as the sole registered holder or as one of several joint holders) after the date of the lien enforcement notice

6 4 5      A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been sold to satisfy the Company's lien on a specified date

- (i)      is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and
- (ii)     subject to compliance with any other formalities of transfer required by these Articles or by law, constitutes a good title to the Share

## 6 5      Call notices

6 5 1      Subject to the Articles and the terms on which Shares are allotted, the directors may send a notice (a "**call notice**") to a shareholder requiring the shareholder to pay the Company a specified sum of money (a "**call**") which is payable to the Company to pay up that Share in full at the date when the directors decide to send the call notice

6 5 2      A call notice

- (i)      may not require a shareholder to pay a call which exceeds the total amount required to pay up his Shares in full,
- (ii)     must state when and how any call to which it relates is to be paid, and

(iii) may permit or require the call to be made in instalments

6 5 3 A shareholder must comply with the requirements of a call notice, but no shareholder is obliged to pay any call before 14 clear days have passed since the notice was sent

6 5 4 Before the Company has received any call due under a call notice the directors may

(i) revoke it wholly or in part, or

(ii) specify a later time for payment than is specified in the notice,

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

## 6 6 Liability to pay calls

6 6 1 Liability to pay a call is not extinguished or transferred by transferring the Shares in respect of which it is required to be paid

6 6 2 Joint holders of a Share are jointly and severally liable to pay all calls in respect of that Share

6 6 3 Subject to the terms on which Shares are allotted, the directors may, when issuing Shares, provide that call notices sent to the holders of those Shares may require them

(i) to pay calls which are not the same, or

(ii) to pay calls at different times

## 6 7 When a call notice need not be issued

6 7 1 A call notice need not be issued in respect of sums which are specified, in the terms on which a Share is issued, as being payable to the Company in respect of that Share

(i) on allotment,

(ii) on the occurrence of a particular event, or

(iii) on a date fixed by or in accordance with the terms of issue

6 7 2 But if the due date for payment of such a sum has passed and it has not been paid, the holder of the Share concerned is treated in all respects as having failed to comply with a call notice in respect of that sum, and is liable to the same consequences as regards the payment of interest and forfeiture

6 8 Failure to comply with a call notice automatic consequences

6 8 1 If a person is liable to pay a call and fails to do so by the call payment date

- (i) the directors may issue a notice of intended forfeiture to that person, and
- (ii) until the call is paid, that person must pay the Company interest on the call from the call payment date at the relevant rate

6 8 2 For the purposes of this Article

- (i) the “**call payment date**” is the time when the call notice states that a call is payable, unless the directors give a notice specifying a later date, in which case the “**call payment date**” is that later date, and
- (ii) the “**relevant rate**” is
  - (A) the rate fixed by the terms on which the Share in respect of which the call is due was allotted,
  - (B) such other rate as was fixed in the call notice which required payment of the call, or has otherwise been determined by the directors, or
  - (C) if no rate is fixed in either of these ways, 5 per cent per annum

6 8 3 The relevant rate must not exceed by more than 5 percentage points the base lending rate most recently set by the Monetary Policy Committee of the Bank of England in connection with its responsibilities under Part 2 of the Bank of England Act 1998

6 8 4 The directors may waive any obligation to pay interest on a call wholly or in part

6 9     Notice of intended forfeiture

6 9 1     A notice of intended forfeiture

- (i)     may be sent in respect of any Share in respect of which a call has not been paid as required by a call notice,
- (ii)    must be sent to the holder of that Share (or all the joint holders of that Share),
- (iii)   must require payment of the call and any accrued interest and all expenses that may have been incurred by the Company by reason of such non-payment by a date which is not less than 14 clear days after the date of the notice,
- (iv)    must state how the payment is to be made, and
- (v)     must state that if the notice is not complied with, the Shares in respect of which the call is payable will be liable to be forfeited

6 10    Directors' power to forfeit shares

6 10 1     If a notice of intended forfeiture is not complied with before the date by which payment of the call is required in the notice of intended forfeiture, the directors may decide that any Share in respect of which it was given is forfeited, and the forfeiture is to include all dividends or other monies payable in respect of the forfeited Shares and not paid before the forfeiture

6 11    Effect of forfeiture

6 11 1     Subject to the Articles, the forfeiture of a Share extinguishes

- (i)     all interests in that Share, and all claims and demands against the Company in respect of it, and
- (ii)    all other rights and liabilities incidental to the Share as between the person whose Share it was prior to the forfeiture and the Company

6 11 2     Any Share which is forfeited in accordance with the Articles

- (i)     is deemed to have been forfeited when the directors decide that it is forfeited,

- (ii) is deemed to be the property of the Company, and
- (iii) may be sold, re-allotted or otherwise disposed of as the directors think fit

6 11 3 If a person's Shares have been forfeited

- (i) the Company must send that person notice that forfeiture has occurred and record it in the register of members,
- (ii) that person ceases to be a shareholder in respect of those Shares,
- (iii) that person must surrender the certificate for the Shares forfeited to the Company for cancellation,
- (iv) that person remains liable to the Company for all sums payable by that person under the Articles at the date of forfeiture in respect of those Shares, including any interest (whether accrued before or after the date of forfeiture), and
- (v) the directors may waive payment of such sums wholly or in part or enforce payment without any allowance for the value of the Shares at the time of forfeiture or for any consideration received on their disposal

6 11 4 At any time before the Company disposes of a forfeited Share, the directors may decide to cancel the forfeiture on payment of all calls, interest and expenses due in respect of it and on such other terms as they think fit

6 12 Procedure following forfeiture

6 12 1 If a forfeited Share is to be disposed of by being transferred, the Company may receive the consideration for the transfer and the directors may authorise any person to execute the instrument of transfer

6 12 2 A statutory declaration by a director or the company secretary (if any) that the declarant is a director or the company secretary and that a Share has been forfeited on a specified date

- (i) is conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share, and



- (ii) subject to compliance with any other formalities of transfer required by the articles or by law, constitutes a good title to the Share

6 12 3 A person to whom a forfeited Share is transferred is not bound to see to the application of the consideration (if any) nor is that person's title to the Share affected by any irregularity in or invalidity of the process leading to the forfeiture or transfer of the Share

6 12 4 If the Company sells a forfeited Share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which

- (i) was, or would have become, payable, and

- (ii) had not, when that Share was forfeited, been paid by that person in respect of that Share,

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

## **7 Transfer of Shares - transfer procedure**

7 1 Subject to Articles 7 10, 8 (Permitted Transfers), 9 (Compulsory Transfers), 10 (Drag Along) or 11 (Tag Along) any person ("**proposing transferor**") proposing to transfer any Shares shall give notice in writing ("**transfer notice**") to the Company that he desires to transfer the same and specifying the price per Share at which he is willing to sell them The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some only) of the Shares comprised in the transfer notice together with all rights then attached thereto to the Company, Employee Benefit Trust, Employee Member or member of the Company (in the order and priority set out at Article 7 2) willing to purchase the same ("**purchasing members**") at the price specified therein or if no price is specified then such price as is certified in accordance with Article 7 3 A transfer notice shall not be revocable except with the sanction of the directors given any time prior to completion of the transfer of the Shares in question, or unless notified in writing to the Company by the proposing transferor not more than three days following receipt by him of notice of the certified fair value of each Share (if relevant) provided such transfer notice has not been served due to a compulsory transfer

7 2 The Shares comprised in any transfer notice shall be offered

- 7 2 1 first (in the case of a deemed transfer notice only) to the Company to be acquired under the ‘purchase of own shares’ rules in accordance with CA 2006 and these Articles,
- 7 2 2 second (in the case of a deemed transfer notice only), if the Company declines or fails to make any decision to buy back such Shares within 10 Business Days of the date of the transfer notice or is not lawfully able to buy back such Shares, to the Employee Benefit Trust (if any) or, if the Board (including the Fund Director) shall determine, to any incoming shareholder who is or is to become an Employee Member within 1 month of acquiring such Shares, and
- 7 2 3 third, if neither the Employee Benefit Trust (if any) nor any incoming Employee Member is to acquire such Shares, such decision to be made and communicated to the Board and the proposing transferor within 5 Business Days of the date of the transfer notice, or first in the case where there is a transfer notice (not being a deemed transfer notice), to the members holding Shares of the same class as those comprised in the transfer notice (other than the proposing transferor and any other person holding Shares who has given or is deemed to have given a transfer notice) as nearly as may be in proportion to the number of Shares held by them respectively Such offer shall be made by notice in writing (“**offer notice**”) immediately following the earlier of
- (i) the expiry of 15 Business Days from the date of the transfer notice, and
  - (ii) the date on which it becomes clear to the Board that neither the Company, the Employee Benefit Trust or any Employee Member or prospective Employee Member is to acquire such Shares
- 7 2 4 The offer notice shall
- (i) state the identity of the proposing transferor, the number of Shares comprised in the transfer notice and the price per Share specified in the transfer notice and inform the members that Shares are offered to them in accordance with the provisions of this Article 7 2,
  - (ii) contain a statement to the effect that the Shares are offered in the first instance in the proportion referred to in the opening sentence of this Article 7 2 but go on to invite each member to state in his reply whether

he wishes to purchase more or less Shares than his proportionate entitlement and if so what number, and

- (iii) state the period in which the offer may be accepted (not being less than 10 Business Days or more than 25 Business Days after the date of the offer notice)

For the purpose of this Article an offer shall be deemed to be accepted (subject to revocation of the transfer notice as provided in Article 7 1) on the day on which the acceptance is received by the Company and may, if so specified in the acceptance, be accepted by a member in respect of a lesser number of Shares than his full proportionate entitlement. If all the members do not accept the offer in respect of their respective proportions in full the Shares not so accepted shall be used to satisfy any claims for additional Shares (notified in response to the invitation referred to in Article 7 2 4(ii)) as nearly as may be in proportion to the number of Shares already held by the members claiming additional Shares, provided that no member shall be obliged to take more Shares than he shall have applied for. If any Shares shall not be capable of being offered to the members in proportion to their existing holdings, except by way of fractions, the same shall be offered to the relevant members, or some of them, in such proportions as the directors may think fit. Any Shares not accepted by members holding shares of the same class as those comprised in the transfer notice shall then be offered to members holding shares of classes other than those in the transfer notice and the foregoing provisions of this Article 7 2 shall apply accordingly to such offer *mutatis mutandis*.

- 7 3 If no price is specified in the transfer notice, then the sale price shall be agreed between the directors and the proposing transferor within 15 Business Days after receipt of the transfer notice. If no such agreement is possible forthwith upon the expiry of such 15 Business Day period the Company shall instruct the Auditors to certify the fair value of the Shares comprised in the transfer notice at the date of that notice and the costs of producing such certificate shall be apportioned among the proposing transferor and the purchasing members (but borne solely by the proposing transferor in the case of any revocation of a transfer notice) and borne by any one or more of them as the Auditors in their absolute discretion shall decide. In certifying the fair value as aforesaid no account shall be taken of the fact (if relevant) that the Shares in question constitute a minority holding. In certifying the fair value the Auditors shall be considered to be acting as expert and not as arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply. Forthwith upon receipt of

the certificate of the Auditors, the Company shall by notice in writing inform all members of the price at which the Shares comprised in the transfer notice are offered for sale

- 7 4 If purchasing members shall be found for all the Shares comprised in the transfer notice within the appropriate period specified in Article 7 2, the Company shall not later than 5 Business Days after the expiry of such appropriate period give notice in writing (“**sale notice**”) to the proposing transferor specifying the purchasing members and the number of Shares to be purchased by each purchasing member and the proposing transferor shall be bound upon payment of the price due in respect of all the Shares comprised in the transfer notice to transfer the Shares to the purchasing members
- 7 5 If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any Shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such Shares on behalf of and as attorney for the proposing transferor in favour of the purchasing members The receipt of the Company for the purchase money shall be a good discharge to the purchasing members The Company shall pay the purchase money into a separate bank account and shall hold the same on trust for the proposing transferor
- 7 6 If the Company shall not have found purchasing members for some or all of the Shares comprised in the transfer notice within the appropriate period specified in Article 7 2, then the proposing transferor shall, during the period of 3 months following the expiry of the time so specified, be at liberty to transfer all (but not some only) of the Shares comprised in the transfer notice to any person or persons provided that the price per Share obtained upon such Share transfer shall in no circumstances be less than the price per Share specified in the transfer notice served in accordance with Article 7 1 or as certified in accordance with Article 7 3 and the proposing transferor shall upon request furnish such information to the directors as they shall require in relation to the price per Share obtained as aforesaid The directors may require to be satisfied that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without deduction, rebate or allowance whatsoever to the purchaser, and if not so satisfied, may refuse to register the instrument of transfer
- 7 7 Any transfer or purported transfer of a Share made otherwise than in accordance with the foregoing provisions of Articles 7 1 to 7 6 (inclusive), Articles 7 10, 8 (Permitted Transfers), 9 (Compulsory Transfers), 10 (Drag Along) or 11 (Tag Along) shall be null and void and of no effect

- 7 8 If and when required by notice in writing by the holder or holders of (in aggregate) a majority in nominal value of the other Shares in the Company (including the Fund Investor) so to do (“**transfer call notice**”) a member who transfers or purports to transfer any Share in the Company in breach of the provisions of these Articles shall be bound to give a transfer notice in respect of the Shares (without specifying a price per Share) which he has transferred or purported to transfer in breach of these Articles

In the event of such member failing to serve such a transfer notice within five days of the date of the transfer call notice such member shall be deemed to have given a transfer notice at the expiration of such period of five days and to have specified therein as the price per Share the fair value of each Share to be certified in accordance with Article 7 3 The provisions of Articles 7 2 to 7 6 (inclusive) shall apply mutatis mutandis A transfer notice given or deemed given under this Article 7 8 shall be irrevocable unless the directors give their consent to the contrary

- 7 9 The directors may, in their absolute discretion, decline to register any transfer which would otherwise be permitted under the foregoing provisions of this Article 7 if it is a transfer of a Share on which the Company has a lien or of a Share (not being a fully paid Share) to a person of whom they shall not approve The directors may also refuse to register a transfer unless

7 9 1 it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer, and

7 9 2 it is in respect of only one class of Shares, and

7 9 3 it is in favour of not more than four transferees

For the avoidance of doubt the directors shall not refuse to register a transfer of Shares made pursuant to Articles 7 1 7 6 (inclusive) and Articles 7 10, 8 (Permitted Transfers), 9 (Compulsory Transfers), 10 (Drag Along) or 11 (Tag Along)

- 7 10 The provisions of Articles 7 1 to 7 10 (inclusive) may be waived in any particular case if the Investor Majority gives its consent in writing

## 8 **Permitted transfers**

- 8 1 Notwithstanding any other provisions of these Articles

- 8 1 1 any member (being an individual) may at any time transfer all or any Shares held by him to a Privileged Relation,
- 8 1 2 any member may at any time transfer all or any Shares held by him to trustees to be held upon a Family Trust of which he is the settlor,
- 8 1 3 where any Shares are held by trustees upon a Family Trust
- (i) on any change of trustees such Shares may be transferred to the new trustees of that Family Trust,
  - (ii) such Shares may be transferred at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor,
- 8 1 4 any member being a corporation may at any time transfer all (but save with the prior consent in writing of a majority of the directors, not some only) of the Shares held by it
- (i) to any subsidiary of the member, or
  - (ii) to any company of which the member is a subsidiary or any subsidiary of any such company,
- 8 1 5 the Employee Benefit Trust may transfer any Shares held by it to any employee, officer or consultant of the Company or grant any option or right to any such persons to acquire any Shares held by it,
- 8 1 6 any person may transfer any of the Shares held by him to the Employee Benefit Trust,
- 8 1 7 any member (or a nominee of a member or a member of that member's Group) who is
- (i) an Investment Manager,
  - (ii) an Investment Fund, or
  - (iii) a nominee of an Investment Manager or an Investment Fund
- may transfer any Shares held by it to

(A) where the member (or nominee of such member of that member's Group) is an Investment Manager or nominee of an Investment Manager

- 1) any participant or partner in or member of any Investment Fund in respect of which the Shares are held (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course),
- 2) any Investment Fund whose business is managed by the Investment Manager who is or whose nominee is the transferor, or
- 3) any other Investment Manager who manages the business of the Investment Fund in respect of which the Shares are held,

(B) where the member (or nominee of such member of that member's Group) is an Investment Fund or nominee of an Investment Fund

- 1) any participant (directly or indirectly) or partner in or member of the Investment Fund which is or whose nominee is the transferor (but only in connection with the dissolution of such Investment Fund or any distribution of assets of the Investment Fund pursuant to the operation of the Investment Fund in the ordinary course),
- 2) any other Investment Fund whose business is managed by the same Investment Manager as manages the Investment Fund which is or whose nominee is the transferor, or
- 3) the Investment Manager who manages the business of the Investment Fund which is or whose nominee is the transferor

and vice versa any Shares may be transferred by any of the persons in paragraphs (A) or (B) to any member who falls in the categories set out in Article 8 1 7 above,

and the directors shall, save as may be required by law, register any transfer to which this Article 8 applies

**9      Compulsory transfers**

9 1      If an Employee Member (i) ceases to be a director or employee of or consultant to the Company or any of its subsidiaries, (ii) is adjudicated as bankrupt or (iii) makes any voluntary arrangement or composition with its creditors (“**Compulsory Event**”) a transfer notice shall be deemed to have been immediately given in respect of

9 1 1      all the Shares issued to the relevant Employee Member and registered in the name of the member immediately before such cessation, and

9 1 2      all Shares held immediately before such cessation by the Employee Member's Privileged Relations and/or Family Trusts and/or personal representatives (other than Shares which the directors are satisfied were not acquired by such holders either

(i)      directly or indirectly from the Employee Member, or

(ii)      by reason of their connection with the Employee Member (and the decision of the Board in this respect will be final), and

(iii)      all Shares acquired by the Employee Member or his Privileged relation and/or Family Trusts and/or his personal representatives after the relevant cessation date under any Share Plan)

9 2      On the happening of a Compulsory Event in circumstances where the relevant Employee Member is a Good Leaver, including where such person is classified as a Good Leaver pursuant to Article 9 3, or on the happening of a Compulsory Event pursuant to Article 9 1(i) the Board may exercise their discretion to waive (wholly or partially) the provisions of Article 9.1 so that there shall be no deemed transfer notice in respect of such Employee Member's Shares

9 3      On the happening of a Compulsory Event in circumstances where the relevant Employee Member is a Bad Leaver, provided no Compulsory Event pursuant to Articles 9 1(ii) or



- 9 1(iii) has occurred, the Board may with the consent of the Fund Director exercise their discretion to permit such Employee Member to be classified as a Good Leaver
- 9 4 Where there is a deemed transfer notice following a Compulsory Event in circumstances where the Employee Member is a Good Leaver, the sale price of the Shares the subject of a deemed transfer notice shall be the higher of
- 9 4 1 fair value as agreed by the Board and the relevant Employee Member within 30 days of the happening of the relevant Compulsory Event, or
- 9 4 2 the price certified by the Auditors in accordance with Article 7 3
- 9 5 Where there is a deemed transfer notice following a Compulsory Event in circumstances where the Employee Member is a Bad Leaver, and has not been classified as a Good Leaver pursuant to Article 9 3, the sale price of the Shares the subject of a deemed transfer notice shall be the Issue Price
- 9 6 Nothing in this Article 9 shall alter the existing terms of employment of an Employee
- 9 7 If a corporate member ceases to be within the control (as such term is defined by section 840 Income and Corporation Taxes Act 1988) of the person(s) who controlled such company on the date on which it became a member of the Company or on the Investment Date (whichever shall be the later) it shall (unless the Investor Majority shall agree in writing otherwise) be deemed to have immediately given a transfer notice in respect of all the Shares as shall then be registered in its name, provided that this Article 9 7 shall have no application to any of the holders of the A Preference Shares or their respective Permitted Transferees
- 9 8 If and whenever a Privileged Relation to whom Shares have been transferred ceases to be a Privileged Relation of the shareholder who made the transfer, a transfer notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred.
- 9 9 If and whenever any Shares held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor, to any Privileged Relation of the settlor or other permitted transfer) or there ceases to be any beneficiaries of the Family Trust other than a charity or charities a transfer notice shall be deemed to have been given in respect of the relevant Shares (as hereinafter defined) by the holders thereof and such Shares may not otherwise be transferred

9 10 For the purposes of Articles 9 8 and 9 9 the expression “relevant Shares” means and includes the Shares originally transferred to the trustees or Privileged Relation and any additional Shares issued or transferred to the trustees or Privileged Relation by virtue of the holding of the relevant Shares or any of them

**10 Transfer of Shares – drag along**

10 1 If an offeror for Shares in the Company makes bona fide offers to all the members of the Company which are acceptable to the holders of more than 75% of the Shares (including the Fund Investor) then provided such offer includes an offer to purchase all the Equity Shares for the same consideration per Share or on the same terms as to price or to value

10 1 1 such offeror may give notice to any non-accepting holders of Shares and any persons who have the right to acquire Shares pursuant to rights granted prior to such offer requiring him to accept the offer within 14 days and stating that, failing such acceptance, he shall be deemed to have accepted such offer in respect of all Shares held by him and irrevocably to have waived any pre-emption rights he may have in relation to any Shares the subject of such offer,

10 1 2 upon the expiry of such notice each recipient thereof shall be obliged to deliver to the offeror (or as he may direct) an executed share transfer form and share certificate(s) in respect of the Shares which were the subject of the notice together with an executed waiver of pre-emption rights, if appropriate,

10 1 3 if any such member fails to deliver executed share transfer form(s), share certificate(s) and pre-emption waiver(s) (if appropriate) as set out above he shall be deemed to have appointed any director of the Company to be his agent and attorney to execute such documents on his behalf and, against receipt by the Company (on trust for such member) of the appropriate purchase monies, to deliver such executed transfer(s) and pre-emption waiver(s) (if appropriate) to the offeror and it shall be no impediment to completion of the transfer that such member's share certificate(s) has/have not been produced,

10 1 4 after such offeror or his nominee has been registered as the holder of Shares transferred in accordance with this Article the validity of such transaction shall not be questioned by any person

**11      Tag along**

11 1      Save for any permitted transfer of Shares under Article 8, no sale or transfer of the legal or beneficial interest in any Shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof either

11 1 1      a Controlling Interest would be obtained in the Company by any person or group of persons Acting in Concert, or

11 1 2      where any person or group of persons Acting in Concert already own a Controlling Interest, such Controlling Interest is increased by a further 1 per cent

unless the proposed transferee or transferees or his or their nominees are independent third party bona fide purchasers acting in good faith and has or have offered to purchase the entire issued and to be issued Equity Shares in the Company at the Specified Price (calculated as set out below)

11 2      If any part of the Specified Price is to be paid except by cash then the Investors (acting by Investor Majority) may, at their option, elect to take a price per Share of such cash sum as may be agreed by them and the proposed transferee having regard to the transaction as a whole

11 3      In this Article 11 the “**Specified Price**” means

11 3 1      the consideration (in cash or otherwise) per Share equal to that offered or paid or payable by the proposed transferee or his or their nominees for the Shares of the relevant class being acquired, plus

11 3 2      the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of such other Shares of the relevant class which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable, plus all arrears and accruals of the dividends on such Share calculated down to the date of the sale or transfer

In the event of disagreement the calculation of the Specified Price shall be referred to the Auditors for determination whose decision shall be final and binding. If the Investor Majority reasonably considers that the proposed transfer is not bona fide arms length and representing a reasonable market value for the Shares the Specified Price shall be an amount determined by the Auditors as being a fair value for such Shares in accordance (mutatis mutandis) with the provisions of Article 7 3

## **12     General meetings**

- 12 1     The directors may call general meetings and, on the requisition of members pursuant to the provisions of CA 2006, shall forthwith proceed to convene a general meeting in accordance with the provisions of CA 2006. If there are not within the United Kingdom sufficient directors to call a general meeting any director or any member of the company may call a general meeting.

## **13     Notice of general meetings**

- 13 1     All general meetings shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety per cent in nominal value of the Shares giving that right.

The notice shall specify the time, date and place of the meeting and the general nature of the business to be dealt with at the meeting and shall include details of the right to appoint a proxy. Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to all the members, to all persons entitled to a Share in consequence of the death or bankruptcy of a member and to the directors and Auditors.

- 13 2     The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **14     Proceedings at general meetings**

- 14 1     No business shall be transacted at any general meeting unless a quorum is present. Three persons, of which one must be a representative of the Fund Investor, entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

- 14 2     If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be dissolved.

- 14 3     The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the

chairman nor such other director (if any) be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman

14 4 If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman

14 5 A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of Shares in the company

14 6 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place When a meeting is adjourned for fourteen days or more, at least five clear Business Days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted Otherwise it shall not be necessary to give any such notice

14 7 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded Subject to the provisions of CA 2006, a poll may be demanded

14 7 1 by the chairman of the meeting, or

14 7 2 by at least two members having the right to vote on the resolution, or

14 7 3 by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote on the resolution, or

14 7 4 by a member or members holding Shares conferring a right to vote on the resolution being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,

and a demand by a person as proxy for a member shall be the same as a demand by the member

- 14 8 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution
- 14 9 The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made
- 14 10 A poll shall be taken as the chairman directs and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded
- 14 11 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a casting vote in addition to any other vote he may have
- 14 12 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made
- 14 13 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded In any other case at least five clear Business Days' notice shall be given specifying the time and place at which the poll is to be taken

**15 Votes of members**

- 15 1 Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, every member shall have one vote for each Share of which he is the holder

15 2 No member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of Shares, either in person or by proxy, in respect of any Share held by him unless all monies presently payable by him in respect of that Share have been paid

15 3 Proxies

15 3 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”

15 3 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

16 Alternate directors

16 1 Appointment and removal of alternate directors

16 1 1 Any director (“**appointor**”) may appoint as an alternate any other director, or any other person approved by resolution of the directors, to

- (i) exercise that director’s powers, and
- (ii) carry out that director’s responsibilities

in relation to the taking of decisions by the directors, in the absence of the alternate’s appointor

16 1 2 Any appointment or removal of an alternate must be effected by notice in writing to the Company signed by the appointor, or in any other manner approved by the directors

16 1 3 The notice must

- (i) identify the proposed alternate, and

- (ii) in the case of a notice of appointment, contain a statement signed by the proposed alternate that he is willing to act as the alternate of the director giving the notice

16 2 Rights and responsibilities of alternate directors

16 2 1 An alternate director may act as alternate director to more than one director and has the same rights in relation to any decision of the directors as the alternate's appointor(s)

16 2 2 Except as the Articles specify otherwise, alternate directors

- (i) are deemed for all purposes to be directors,
- (ii) are liable for their own acts and omissions,
- (iii) are subject to the same restrictions as their appointors, and
- (iv) are not deemed to be agents of or for their appointors

and, in particular, each alternate director shall be entitled to receive notice of all meetings of directors (but not meetings of committees of directors) of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him

16 2 3 A person who is an alternate director but not, in the absence of such appointment, a director

- (i) may be counted as participating for the purposes of determining whether a quorum is present (but only if that person's appointor is not participating),
- (ii) may participate in a unanimous decision of the directors (but only if his appointor is an eligible director in relation to that decision, but does not participate), and
- (iii) shall not be counted as more than one director for the purposes of Articles 16 2 3(i) and 16 2 3(ii)

16 2 4 A director who is also an alternate director is entitled, in the absence of his appointor, to a separate vote on behalf of his appointor, in addition to his own



vote on any decision of the directors (provided that his appointor is an eligible director in relation to that decision), but shall not count as more than one director for the purposes of determining whether a quorum is present

16 2 5 An alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct

16 3 **Termination of alternate directorship**

16 3 1 An alternate director's appointment as an alternate terminates

- (i) when the alternate's appointor revokes the appointment by notice to the Company in writing specifying when it is to terminate,
- (ii) on the occurrence, in relation to the alternate, of any event which, if it occurred in relation to the alternate's appointor, would result in the termination of the appointor's appointment as a director,
- (iii) on the death of the alternate's appointor, or
- (iv) when the alternate's appointor's appointment as a director terminates

16 4 A director may not appoint any person to be an alternate director in respect of any committee of the directors

17 **Appointment of directors**

17 1 The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director

17 2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 17 8 as the maximum number of directors for the time being in force

17 3 If, immediately following and as a result of the death of a member, the Company has no members and if at that time it has no directors, the personal representatives of the deceased member may appoint any person to be a director and the director who is appointed will have the same rights and be subject to the same duties and obligations as if appointed by ordinary

resolution in accordance with Article 17.1. If two members die in circumstances rendering it uncertain which of them survived the other, such deaths shall, for the purposes of this Article, be deemed to have occurred in order of seniority and accordingly the younger shall be deemed to have survived the elder.

- 17.4 For so long as the Fund Investor (together with its Permitted Transferee(s)) shall hold not less than 5% in nominal value of the total voting Shares in issue, it shall be entitled to appoint at any time and from time to time by the delivery of a written notice to the Company one person as a non-executive director of the Company ("**Fund Director**") The Fund Investor shall be entitled to remove such person from office by giving written notice of such to the Company and the Company shall give effect to the provisions of any such notice.
- 17.5 For so long as the Business Angel (together with his respective Permitted Transferee(s)) shall hold not less than 5% in nominal value of the total voting Shares in issue, he shall be entitled to jointly appoint at any time and from time to time by the delivery of a written notice to the Company one person as a non-executive director of the Company (which may be himself) ("**Angel Director**") The Business Angel shall be entitled to remove such person from office by giving written notice of such to the Company and the Company shall give effect to the provisions of any such notice.
- 17.6 The remuneration and reasonable expenses to be paid to the Fund Director shall be payable by the Company and shall be such sum as may be agreed between him and the Company and upon request by the Fund Director concerned the Company shall also procure (so far as it is able) that such Fund Director be appointed a director to any other member of the Group.
- 17.7 In addition and without prejudice to the rights of the Fund Investor to appoint an Fund Director pursuant to Article 17.4, for so long as the Fund Investor, (together with its Permitted Transferee(s)) shall hold not less than 5% in nominal value of the total voting Shares in issue it shall be entitled from time to time to appoint a person (not being a director of the Company) to attend all meetings of the directors as an observer and any person so appointed ("**Investor Observer**") shall be given (at the same time as the directors) notice of all meetings of the directors and all agendas, minutes and other papers relating to such meetings. An Investor Observer shall be entitled to attend any and all such meetings and to speak and place items on the agenda for discussion provided that an Investor Observer shall not be entitled in any circumstances to vote. The Fund Investor shall be entitled to remove such person as an Investor Observer by giving written notice of such to the Company and the Company shall give effect to the provisions of any such notice.

17 8 Unless otherwise determined by ordinary resolution, the maximum number of directors shall be 7 for the time being

**18 Termination of director's appointment**

18 1 A person ceases to be a director as soon as

18 1 1 he ceases to be a director by virtue of any provision of CA 2006 or these Articles or he becomes prohibited by law from being a director, or

18 1 2 he becomes bankrupt or makes any arrangement or composition with his creditors generally, or

18 1 3 he is, or may be, suffering from mental disorder and either

(i) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or

(ii) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or

18 1 4 he resigns his office by notice to the Company, or

18 1 5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated

**19 Gratuities and pensions**

19 1 The directors may exercise any powers of the Company to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 1151(3) CA 2006) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers

## **20     Proceedings of the directors**

- 20 1     Notice of every meeting of the directors shall be given to each director and his alternate, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service
- 20 2     The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be three eligible directors (of which at least one must be the Fund Director (if so appointed under Article 17 4)) A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum
- 20 3     For the purposes of any meeting (or part of a meeting) held pursuant to Article 22 1 to authorise a director's conflict, if there are only two eligible directors in office other than the conflicted director(s), then the quorum for such meeting (or part of a meeting) shall be two eligible directors (of which at least one must be the Fund Director (if so appointed under Article 17 4 and if not conflicted))
- 20 4     If the number of votes for and against a proposal at a meeting of the directors are equal, the chairman or other director chairing the meeting shall not have a casting vote
- 20 5     Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to these Articles and CA 2006, he shall be entitled to vote and be counted in a quorum accordingly Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is
- 20 6     Where decisions of the directors are taken by electronic means, such decisions shall be recorded by the directors in permanent form, so that they may be read with the naked eye
- 20 7     Any remuneration committee constituted by the Company shall comprise only non-executive directors and shall include the Fund Director

## **21     Transactions or arrangements with the Company**

- 21 1     Subject to the provisions of CA 2006, and provided that he has disclosed to the directors the nature and extent of any interest of his (unless the circumstances referred to in sections

177(5), 177(6), 182(5) or 182(6) CA 2006 apply, in which case no disclosure is required), a director notwithstanding his office

21.1.1 may be a party to or otherwise interested in any contract, transaction or arrangement with the Company or in which the Company is in any way interested,

21.1.2 may be a director or other officer of or employed by or be a party to any contract, transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested,

21.1.3 may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested,

21.1.4 shall not, save as he may otherwise agree, by reason of his office be accountable to the Company for any remuneration or benefit which he (or any person connected with him (as defined in section 252 CA 2006)) derives from any office, service or employment or from any contract, transaction or arrangement or from any interest in any body corporate which he is permitted to hold or enter into by virtue of Articles 21.1.1, 21.1.2 or 21.1.3 and no such contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit nor shall the receipt of any such remuneration or benefit constitute a breach of section 176 CA 2006, and

21.1.5 shall, subject to Articles 22.1 and 22.5, be an eligible director for the purposes of any proposed decision of the directors (or committee of the directors) and shall be entitled to vote at a meeting of directors (or of a committee of the directors) or participate in any unanimous decision on any matter referred to in any of Articles 21.1.1 to 21.1.4 (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted

21.2 For the purposes of Article 21.1

21.2.1 a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be

deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified,

21 2 2 an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his, and

21 2 3 an interest of a person who is for any purpose of CA 2006 (excluding any statutory modification not in force when these Articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise

## **22 Directors' conflicts of interest**

22 1 The directors may, in accordance with the requirements set out in this Article, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching his duty under section 175 CA 2006 to avoid conflicts of interest ("**Conflict Situation**") For the purposes of the Articles, a conflict of interest includes a conflict of interest and duty and a conflict of duties, and interest includes both direct and indirect interests

22 2 Any authorisation under this Article will be effective only if

22 2 1 the matter in question shall have been proposed by any director for consideration at a meeting of directors 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, and

22 2 2 any requirement as to the quorum at the meeting of the directors at which the matter is considered is met without counting the director in question or any other interested director, and

22 2 3 the matter was agreed to without their voting or would have been agreed to if their vote had not been counted

22 3 Any authorisation of a Conflict Situation under this Article may (whether at the time of giving the authorisation or subsequently)

- 22 3 1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the Conflict Situation so authorised, and/or
- 22 3 2 be subject to such terms and for such duration, or impose such limits or conditions as the directors may determine, and/or
- 22 3 3 be terminated or varied by the directors at any time

This will not affect anything done by the director prior to such termination or variation in accordance with the terms of the authorisation

- 22 4 In authorising a Conflict Situation the directors may decide (whether at the time of giving the authorisation or subsequently) that if a director has obtained any information through his involvement in the Conflict Situation otherwise than as a director of the Company and in respect of which he owes a duty of confidentiality to another person the director is under no obligation to

- 22 4 1 disclose such information to the directors or to any director or other officer or employee of the Company, and/or

- 22 4 2 use or apply any such information in performing his duties as a director

where to do so would amount to a breach of that confidence

- 22 5 Where the directors authorise a Conflict Situation they may provide, without limitation (whether at the time of giving the authorisation or subsequently) that the director

- 22 5 1 is excluded from discussions (whether at meetings of directors or otherwise) related to the Conflict Situation, and/or

- 22 5 2 is not given any documents or other information relating to the Conflict Situation, and/or

- 22 5 3 may or may not vote (or may or may not be counted in the quorum) at any future meeting of directors in relation to any resolution relating to the Conflict Situation

- 22 6 Where the directors authorise a Conflict Situation

- 22 6 1 the director will be obliged to conduct himself in accordance with any terms imposed by the directors in relation to the Conflict Situation, and

22 6 2 the director will not infringe any duty he owes to the Company by virtue of sections 171 to 177 CA 2006 provided he acts in accordance with such terms, limits and conditions (if any) as the directors impose in respect of its authorisation

22 7 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 Conflict Situation 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

22 8 For the purposes of sections 175 and 180(4) CA 2006 and for all other purposes, it is acknowledged that the Fund Director or the Angel Director may be or become subject to a Conflict Situation or Conflict Situations as a result of his also being or having been party to an agreement or arrangement or understanding or circumstance under which he may become an employee, director, trustee, member, partner, officer, nominee, attorney or representative of, or a consultant to, or a direct or indirect investor in and/or otherwise commercially involved with or economically interested in any of the following

22 8 1 an Investor, and/or

22 8 2 any “**Investor Affiliate**”, which for these purposes means any person who or which, as regards an Investor, or any other Investor Affiliate of an Investor

- (i) is a holding company of that company, or a wholly owned subsidiary of the company or of any such holding company,
- (ii) is its Investment Manager or investment advisor,
- (iii) is a person in which it may have or acquire a direct or indirect economic interest as part of any portfolio investment,
- (iv) controls or is controlled, managed advised (in an investment advisor capacity) or promoted by it, and/or
- (v) is a trustee, manager, beneficiary, shareholder, partner, unitholder or other financier or any participant in or of it, and/or



22 8 3 any carried interest or incentive arrangement associated with any person or arrangement referred to in paragraphs 22 8 2(i) to 22 8 2(v) inclusive above

22 9 The duties of the Fund Director or the Angel Director to the Company arising from him holding office as director shall not be breached or infringed as a result of any Conflict Situation envisaged by Article 22 8 having arisen or existing in relation to him and he shall not be held accountable to the Company for any benefit he directly or indirectly derives from his involvement with any person or entity referred to in Articles 22 8 2 or 22 8 3 irrespective of whether the activities of such person or entity are or may become competitive with those of the Company and/or any of its subsidiaries

**23 The seal**

23 1 If the Company has a seal it shall be used only with the authority of the directors or of a committee of the directors The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined, every instrument to which the seal is affixed shall be signed by one director and by the secretary or another director

**24 Means of communication to be used**

24 1 Any notice, document or other information shall be deemed served on or delivered to the intended recipient

24 1 1 if properly addressed and sent by prepaid United Kingdom first class post to an address in the United Kingdom, 24 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),

24 1 2 if properly addressed and delivered by hand, when it was given or left at the appropriate address,

24 1 3 if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied, and

24 1 4 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

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

24 2 In proving that any notice, document or other information was properly addressed, it shall be sufficient to show that the notice, document or other information was delivered to an address permitted for the purpose by CA 2006

## 25 **Indemnity**

25 1 Subject to the provisions of, and so far as may be consistent with, the Companies Acts and any other provision of law, but without prejudice to any indemnity to which a relevant officer may otherwise be entitled, the Company shall indemnify every relevant officer 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 and/or the actual or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in relation to any proceedings, whether civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a relevant officer PROVIDED that in the case of any director, any such indemnity shall not apply to any liability of that director

25 1 1 to the Company or to any of its subsidiaries,

25 1 2 to pay any fine imposed in criminal proceedings or any sum payable to a regulatory authority by way of penalty in respect of non-compliance with any requirement of a regulatory nature (however arising), or

25 1 3 incurred

- (i) in defending any criminal proceedings in which he is convicted or any civil proceedings brought by the Company, or any of its subsidiaries, in which judgment is given against him, or
- (ii) in connection with any application under any statute for relief from liability in respect of any such act or omission in which the court refuses to grant him relief

in each case where the conviction, judgment or refusal of relief by the court is final within the meaning stated in section 234 CA 2006

**26     Insurance**

- 26 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
- 26 2     The directors may authorise the directors of companies within the same group of companies as the Company to purchase and maintain insurance at the expense of the Company for the benefit of any relevant other officer of such company in respect any relevant loss
- 26 3     In this Article 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

**27     Data protection**

- 27 1     Each of the shareholders of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (“**Recipient**”) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this Article shall include any information (but excepting all “sensitive data” as defined in the Data Protection Act 1998 for which it is recognised separate consent would be obtained) which may have a bearing on the prudence or commercial merits of investing, or disposing of any Shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, each of the Company’s shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient within the European Economic Area for the purposes stated above, where it is necessary or desirable to do so