

HILL DICKINSON

Dated 14 October 2019

ARTICLES OF ASSOCIATION

of

PASS THE KEYS LIMITED

(Adopted by a special resolution passed on 2019)

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THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

of

PASS THE KEYS LIMITED

(Adopted by a special resolution passed on 14. 10. 2019)

1 INTRODUCTION

- 1.1 The model articles for private companies limited by shares contained or incorporated in Schedule 1 to the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these articles (**Model Articles**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In these Articles and the Model Articles any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force.
- 1.3 In these Articles:
- 1.3.1 article headings are used for convenience only and shall not affect the construction or interpretation of these Articles;
 - 1.3.2 words denoting the singular include the plural and vice versa and reference to one gender includes the other gender and neuter and vice versa;
 - 1.3.3 Articles 9(4), 10(3), 11(2), 17(2), 17(3) and 21 of the Model Articles shall not apply to the Company;

2 DEFINITIONS

In these Articles the following words and expressions shall have the following meanings:

A1 Conversion Notice means the conversion notice addressed to the Company from the holders of the A1 Preferred Shares dated on or around the Date of Adoption;

A1 Preferred Shares means the A1 preferred ordinary shares of £0.01 each in the capital of the Company from time to time;

A2 Conversion Notice means the conversion notice addressed to the Company from the holders of the A2 Preferred Shares dated on or around the Date of Adoption;

A2 Preferred Shares means the A2 preferred ordinary shares of £0.01 each in the capital of the Company from time to time;

Act means the Companies Act 2006 (as amended from time to time);

Acting in Concert has the meaning given to it in The City Code on Takeovers and Mergers published by the Panel on Takeovers and Mergers (as amended from time to time);

Asset Sale means the disposal by the Company of all or substantially all of its undertaking and assets (where disposal may include, without limitation, the grant by the Company of an exclusive licence of intellectual property not entered into in the ordinary course of business);

Associate in relation to any person means:

- (a) any person ~~who~~ is an associate of that person and the question ~~of whether~~ a person is an associate of another is to be determined in accordance with section 435 of the Insolvency Act 1986 and (whether or not an associate as so determined); and
- (b) any Member of the same Group;

Auditors means the auditors of the Company from time to time;

Bad Leaver means a person who ceases to be an Employee having been convicted, on indictment at a court of competent jurisdiction from which there is no right of appeal, of an offence of fraud against the Company in circumstances where such offence has caused a material detrimental impact to the business and prospects of the Company;

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

Business Day means a day on which English clearing banks are ordinarily open for the transaction of normal banking business in the City of London (other than a Saturday or Sunday);

Civil Partner in relation to a Shareholder, means a civil partner (as defined in the Civil Partnership Act 2004) of that Shareholder;

Company means Pass the Keys Limited (company number 09546159);

Controlling Interest means an interest in shares giving to the holder or holders control of the Company within the meaning of section 1124 of the CTA 2010;

CTA 2010 means the Corporation Tax Act 2010;

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

Deferred Conversion Date means the date that the Employee Shares convert into Deferred Shares pursuant to Article 13.1;

Deferred Shares means deferred shares of £0.01 each in the capital of the Company from time to time;

Director(s) means a director or directors of the Company from time to time;

Effective Termination Date means the date on which the Employee's employment, directorship or consultancy terminates;

Employee means an individual who is employed by or is a director of, or who provides consultancy services to, the Company or any member of the Group;

Employee Shares in relation to an Employee means all Shares held by:

- (a) the Employee in question; and
- (b) any Permitted Transferee of that Employee other than those Shares held by those persons that the Investor declares itself satisfied were not acquired directly or indirectly from the Employee or by reason of that person's relationship with the Employee;

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

Exit means a Share Sale or an Asset Sale;

Expert Valuer is as determined in accordance with Article 11.1;

Fair Value is as determined in accordance with Article 11;

Family Trusts means as regards any particular individual member or deceased or former individual member, trusts (whether arising under a settlement, declaration of trust or other instrument by whomsoever or wheresoever made or under a testamentary disposition or on an intestacy) under which no immediate beneficial interest in any of the shares in

question is for the time being vested in any person other than the individual and/or Privileged Relations of that individual; and so that for this purpose a person shall be considered to be beneficially interested in a share if such share or the income thereof is liable to be transferred or paid or applied or appointed to or for the benefit of such person or any voting or other rights attaching thereto are exercisable by or as directed by such person pursuant to the terms of the relevant trusts or in consequence of an exercise of a power or discretion conferred thereby on any person or persons;

Financial Year has the meaning set out in section 390 of the Act;

Founders has the meaning given in the Subscription and Shareholders' Agreement;

Founder Director means a Director appointed by Alexander Lyakhotskiy under Article 16.2;

Good Leaver means a person who ceases to be an Employee and who is not a Bad Leaver;

Group means the Company and its Subsidiary Undertaking(s) (if any) from time to time and **Group Company** shall be construed accordingly;

Investor Director means a director of the Company nominated by the Investors under Article 16.1;

Investor Consent has the meaning given in the Subscription and Shareholders' Agreement;

Investors has the meaning given in the Subscription and Shareholders' Agreement and **Investor** shall be construed accordingly;

IPO means the admission of all or any of the Shares or securities representing those on the Official List of the United Kingdom Listing Authority or the AIM Market operated by the London Stock Exchange Plc or any other recognised investment exchange (as defined in section 285 of the Financial Services and Markets Act 2000);

IPO Value the market value of the Shares determined by reference to the price per share at which such shares are to be offered for sale, placed or otherwise marketed pursuant to the arrangements relating to the IPO, all as determined by the merchant bank (or, if none, the broker) appointed by the Company to advise in connection with the IPO;

Issue Price means in respect of a Share, the aggregate amount paid up or credited as paid up in respect of the nominal value thereof, including any share premium credited as having been paid thereon;

Leaver's Percentage means, in relation to and for the purposes of determining the number of Employee Shares that are required (pursuant to Article 13) to be converted into

Deferred Shares or to be transferred as a result of a Founder ceasing to be an Employee within the period commencing on 17 October 2016 and ending on the Effective Termination Date, the percentage (rounded to the nearest two decimal places) as calculated using the formula below:

$$100 - ((1/36 \times 100) \times \text{NM}),$$

where NM = number of full calendar months from 17 October 2016 to the Effective Termination Date such that the Leaver's Percentage shall be zero on the first day of the 37th month after 17 October 2016 and thereafter;

Member of the same Group means as regards any company, a company which is from time to time a Parent Undertaking or a Subsidiary Undertaking of that company or a Subsidiary Undertaking of any such Parent Undertaking;

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

Offer Period has the meaning set out in Article 10.6;

Ordinary Resolution has the meaning given in section 282 of the Act;

Ordinary Shares means the ordinary shares of £0.01 each in the capital of the Company from time to time;

Ordinary Shareholder means any holder of Ordinary Shares from time to time;

Permitted Transfer means a transfer of Shares in accordance with Article 9;

Permitted Transferee means:

- (a) in relation to a Shareholder who is an individual, any of his Privileged Relations, Trustees or Qualifying Companies;
- (b) in relation to a Shareholder which is an undertaking (as defined in section 1161(1) of the Act), any Member of the same Group; and
- (c) in relation to Beyond Digital Four Limited (company number 123204) and Beyond Digital Five Limited (company number 125144), any undertaking (as defined in section 1161(1) of the Act) that is managed or advised by Talis Capital Limited (company number 07726567);

Preferred Shares means the A1 Preferred Shares and the A2 Preferred Shares in the capital of the Company from time to time;

Preferred Shareholder means any holder of A1 Preferred Shares or A2 Preferred Shares from time to time;

Privileged Relation in relation to a Shareholder who is an individual means a spouse, Civil Partner, child or grandchild (including step or adopted or illegitimate child and their issue) of that Shareholder;

Proceeds of Sale means the consideration payable whether in cash or otherwise to those Shareholders selling Shares under a Share Sale less any fees, costs and expenses payable in respect of such Share Sale;

Proposed Seller means any person proposing to transfer any Shares where the provisions of Article 14 apply;

Proposed Purchaser means a proposed purchaser who at the relevant time has made an offer on arm's length terms where the provisions of Article 13 apply;

Qualifying Company means a company in which a Shareholder or Trustee(s) holds the entire issued share capital and over which that Shareholder or Trustee(s) exercises control (within the meaning of section 1124 of the CTA 2010);

Relevant Period means 36 months from 17 October 2016;

Restricted Shares has the meaning set out in Article 13.7;

Sale Shares has the meaning set out in Article 10.2;

Seller has the meaning set out in Article 10.2;

Shareholder means any holder of any Shares;

Share Option Plan(s) means the share option plan(s) of the Company;

Shares means shares of any class in the capital of the Company from time to time having the rights set out in these Articles;

Share Sale means 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 those shares (or grantee of that right) and persons Acting in Concert with him together acquiring a Controlling Interest in the Company, except where following completion of the sale the shareholders and the proportion of Shares held by each of them are the same as the shareholders and their shareholdings in the Company immediately prior to the sale;

Starting Price means:

- (a) in relation to the A1 Preferred Shares, the A1 Starting Price as defined in the A1 Conversion Notice; and
- (b) in relation to the A2 Preferred Shares, the A2 Starting Price as defined in the A2 Conversion Notice;

Subscription and Shareholders' Agreement means the subscription and shareholders' agreement dated on 17 October 2016 between amongst others, the Company and the Investors;

Subsidiary, Subsidiary Undertaking and Parent Undertaking have the respective meanings set out in sections 1159 and 1162 of the Act;

Transfer Notice shall have the meaning given in Article 10.2;

Transfer Price shall have the meaning given in Article 10.2;

Trustees in relation to a Shareholder means the trustee or the trustees of a Family Trust;

Unvested Shares means those Employee Shares which may be required to be converted into Deferred Shares or to be transferred under Article 13; and

Vested Shares means 25% of the Ordinary Shares held by each Founder as at 17 October 2016.

3 CAPITAL

3.1 Except as otherwise provided in these Articles, the Ordinary Shares and Preferred Shares shall rank pari passu in all respects but shall constitute separate classes of shares.

3.2 On a distribution of assets on a liquidation or a return of capital (other than a conversion, redemption or purchase of Shares) the surplus assets of the Company remaining after payment of its liabilities shall be distributed amongst the Shareholders in the following order of priority:

3.2.1 first, in paying to each of the holders of Preferred Shares, in priority to any other classes of Shares, an amount per Preferred Share held equal to one (1) times the Issue Price (provided that if there are insufficient surplus assets to pay the amounts per share equal to the Issue Price, the remaining surplus assets shall be distributed to the holders of Preferred Shares pro rata to their respective holdings of Preferred Shares);

3.2.2 second, in paying to the holders of the Deferred Shares, if any, a total of £0.01 for the entire class of Deferred Shares (which payment shall

be deemed satisfied by payment to any one holder of Deferred Shares);

3.2.3 the balance of the surplus assets (if any) shall be distributed among the holders of Ordinary Shares pro rata to the number of Ordinary Shares held.

3.3 Each of the Preferred Shares shall automatically convert immediately prior to a distribution of assets on a liquidation, return of capital (other than a conversion, redemption or purchase of Shares), Share Sale, Asset Sale or IPO (as the case may be) into Ordinary Shares at a conversion rate of 1:1 if such conversion will result in the holder(s) of Preferred Shares receiving a greater distribution than that which they would receive pursuant to article 3.2.1 above. With effect from such conversion: (i) any such Preferred Shares shall automatically convert into and be re-designated as Ordinary Shares; (ii) all preferential rights attaching to any such Preferred Shares shall cease and terminate automatically; (iii) all rights attaching to Ordinary Shares shall automatically attach to any such converted and re-designated Ordinary Shares; and (iv) any such converted and re-designated Ordinary Shares shall rank ~~pari passu~~ with all other Ordinary Shares.

3.4 On a Share Sale, the Proceeds of Sale shall be distributed in the order of priority set out in Article 3.2 and the directors shall not register any transfer of Shares if the Proceeds of Sale are not so distributed save in respect of any Shares not sold in connection with that Share Sale provided that if the Proceeds of Sale are not settled in their entirety upon completion of the Share Sale:

3.4.1 the directors shall not be prohibited from registering the transfer of the relevant Shares so long as the Proceeds of Sale that are settled have been distributed in the order of priority set out in Article 3.2; and

3.4.2 the Shareholders shall take any action required by the holders of Ordinary Shares to ensure that the Proceeds of Sale in their entirety are distributed in the order of priority set out in Article 3.2.

In the event that the Proceeds of Sale are distributed on more than one occasion (for any deferred or contingent consideration or otherwise), the consideration so distributed on any further occasion shall be paid by continuing the distribution from the previous distribution of consideration in the order of priority set out in Article 3.2.

3.5 On an Asset Sale, the surplus assets of the Company remaining after payment of its liabilities shall be distributed (to the extent that the Company is lawfully permitted to do so) in the order of priority set out in Article 3.2 provided always that if it is not lawful for the Company to distribute its surplus assets in accordance with the provisions of these Articles, the shareholders shall take any

action required by the holders of Ordinary Shares (including, but without prejudice to the generality of this Article 3.5, actions that may be necessary to put the Company into voluntary liquidation) so that Article 3.2 applies.

- 3.6 Immediately prior to and conditionally upon an IPO occurring, the shareholders shall enter into such reorganisation of the share capital of the Company so as to ensure that the IPO Value is allocated between the Shareholders in the order of priority set out in Article 3.2. The details of any such share reorganisation shall be agreed between the holders of not less than 50% of the Ordinary Shares, and their agreement shall be final and binding on the Company and the shareholders. The shareholders shall take any action necessary (including by the exercise of any voting rights) so as to procure that any reorganisation agreed takes place (including, as required, any sub-division, redesignation or consolidation).

4 DIVIDENDS

- 4.1 The Company may, by Ordinary Resolution, declare a dividend.
- 4.2 Subject to Articles 4.3, below, every general meeting at which a dividend is declared shall, by Ordinary Resolution, direct that such dividend be paid in respect of one or more classes of Shares to the exclusion of the other classes or in respect of all classes of Shares.
- 4.3 The Company may, by Ordinary Resolution, differentiate between such classes as to the amount or percentage of dividend payable in respect of either the Ordinary Shares and the Preferred Shares, but in default the shares in each such class shall be deemed to rank pari passu in all respects as if they constituted one class of Share.
- 4.4 No dividend shall be declared in respect of any class of Share in circumstances where the Directors recommend that no dividend should be declared nor shall any dividend be declared in respect of any class of Share which exceeds the amount recommended by the Directors in respect of that class.
- 4.5 The Directors may decide to pay interim dividends and when paying interim dividends the Directors may make payments to one or more classes of Shares to the exclusion of the other classes or to all classes of Shares. When making such payments the Directors may differentiate between the classes to which payments are being made as to the amount or percentage of dividend payable.
- 4.6 Notwithstanding any provision of these Articles, the Deferred Shares shall not entitle the holders thereof to receive any dividends.

5 VOTES IN GENERAL MEETING AND WRITTEN RESOLUTIONS

- 5.1 The Ordinary Shares shall confer on each Ordinary Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 5.2 On a show of hands each Ordinary Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such Ordinary Shareholder so present shall have one vote for each Ordinary Share held by him.
- 5.3 The Preferred Shares shall confer on each Preferred Shareholder the right to receive notice of and to attend, speak and vote at all general meetings of the Company and to receive and vote on proposed written resolutions of the Company.
- 5.4 On a show of hands each Preferred Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll each such Preferred Shareholder so present shall have one vote for each Preferred Share held by him.
- 5.5 The holders of Deferred Shares shall not be entitled to receive notice of, attend, speak or vote at any general meeting or on a written resolution.

6 ANTI-DILUTION PROTECTION

- 6.1 If New Securities are issued by the Company at a price per New Security which equates to less than the Starting Price (**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 issue to each holder of Preferred Shares (as applicable) (**Exercising Investor**) a number of new A1 Preferred Shares or A2 Preferred Shares (as applicable) determined by applying the following formula (and rounding the product, N, down to the nearest whole share) (**Anti-Dilution Shares**):

Broad-Based Weighted Average Ratchet

$$N = \left(\left(\frac{SIP}{WA} \right) \times Z \right) - Z$$

Where:

N= Number of Anti-Dilution Shares to be issued to the Exercising Investor;

$$WA = \frac{(SIP \times ESC) + (QISP \times NS)}{(ESC + NS)} ;$$

SIP = Starting Price;

ESC = the number of Shares in issue plus the aggregate number of shares in respect of which options to subscribe have been granted, or which are subject to convertible securities (including but not limited to warrants) in each case immediately prior to the Qualifying Issue;

QISP = the lowest per share price of the New Securities issued pursuant to the Qualifying Issue (which in the event that that New Security is not issued for cash shall be the sum certified by the Auditors acting as experts and not arbitrators as being in their opinion the current cash value of the non cash consideration for the allotment of the New Security); and

NS = the number of New Securities issued pursuant to the Qualifying Issue;

Z = the number of Preferred Shares held by the Exercising Investor prior to the Qualifying Issue.

6.2 The Anti-Dilution Shares shall:

6.2.1 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 a majority of the Exercising Investor(s) shall agree otherwise, in which event the Exercising Investor(s) shall be entitled to subscribe for the Anti-Dilution Shares in cash at par (being the par value approved in advance by Investor Consent) and the entitlement of such Exercising Investors to Anti-Dilution Shares shall be increased by adjustment to the formula set out in Article 6.1 so that the Exercising Investors shall be in no worse position than if they had not so subscribed at par. In the event of any dispute between the Company and any Exercising Investor as to the effect of Article 6.1 or this Article 6.2, 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

- 6.2.2 subject to the payment of any cash payable pursuant to Article 6.2.1 (if applicable), be issued, credited fully paid up in cash and shall rank *pari passu* in all respects with the existing Preferred Shares, within five Business Days of the expiry of the offer being made by the Company to the Exercising Investor and pursuant to Article 6.2.1.

7 ALLOTMENT OF NEW SECURITIES: PRE-EMPTION

- 7.1 Subject to the remaining provisions of this Article 7, the Directors are generally and unconditionally authorised for the purpose of section 551 of the Act to exercise any power of the Company to:

7.1.1 allot Shares; or

7.1.2 grant rights to subscribe for or convert any securities into Shares,

to any persons, at any times and subject to ~~any~~ terms and conditions as the Directors think proper, provided that:

7.1.3 this authority shall be limited to a maximum nominal amount of £3,000;

7.1.4 this authority shall only apply insofar as the Company has not by resolution waived or revoked it;

7.1.5 this authority may only be exercised for a period of five years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement which would or might require Shares to be allotted or rights granted to subscribe for or convert any security into Shares after the expiry of such authority (and the Directors may allot Shares or grant such rights in pursuance of an offer or agreement as if such authority had not expired).

This authority is in substitution for all subsisting authorities to the extent unused.

- 7.2 Sections 561(1) and 562(1) to (5) (inclusive) of the Act do not apply to an allotment of New Securities made by the Company.
- 7.3 Unless otherwise agreed by special resolution, if the Company proposes to allot any New Securities those New Securities shall not be allotted to any person unless the Company has in the first instance offered them to all Shareholders (**Subscribers**) on the same terms and at the same price as those New Securities are being offered to other persons on a *pari passu* and *pro rata* basis to the

number of Shares held by those holders (as nearly as may be without involving fractions). The offer:

- 7.3.1 shall be in writing, be open for acceptance from the date of the offer to the date which is 10 Business Days after the date of the offer (inclusive) (**Subscription Period**) and give details of the number and subscription price of the New Securities; and
- 7.3.2 may stipulate that any Subscriber who wishes to subscribe for a number of New Securities in excess of the proportion to which each is entitled shall in their acceptance state the number of excess New Securities for which they wish to subscribe.
- 7.4 If, at the end of the Subscription Period, the number of New Securities applied for is equal to or exceeds the number of New Securities, the New Securities shall be allotted to the Subscribers who have applied for New Securities on a pro rata basis to the number of Shares held by such Subscribers which procedure shall be repeated until all New Securities have been allotted (as nearly as may be without involving fractions or increasing the number allotted to any Subscriber beyond that applied for by him).
- 7.5 If, at the end of the Subscription Period, the number of New Securities applied for is less than the number of New Securities, the New Securities shall be allotted to the Subscribers in accordance with their applications and any remaining New Securities shall be offered, to any other person as the Directors may determine at the same price and on the same terms as the offer to the Subscribers.
- 7.6 Subject to the requirements of Articles 7.3 to 7.5 (inclusive) and to the provisions of section 551 of the Act, any New Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to any persons at those times and generally on the terms and conditions they think proper.
- 7.7 The provisions of Articles 7.3 to 7.6 (inclusive) shall not apply to:
 - 7.7.1 options to subscribe for Shares under the Share Option Plan(s);
 - 7.7.2 New Securities issued or granted in order for the Company to comply with its obligations under these Articles; and
 - 7.7.3 New Securities issued in consideration of the acquisition by the Company of any company or business or issued for any corporate partnering transaction which has been approved by the Board.

- 7.8 Any New Securities offered under this Article 7 to an Investor may be accepted in full or part only by a Member of the same Group as that Investor in accordance with the terms of this Article 7.
- 7.9 The Directors may, as a condition to the issue and allotment of shares in the Company, require the subscriber to execute and deliver to the Company a deed agreeing to be bound by the terms of the Subscription and Shareholders' Agreement in any form as the Directors may reasonably require and if any condition is imposed in accordance with this Article 7.9 the issue and allotment of Shares to a subscriber may not be registered unless that deed has been executed and delivered to the Company's registered office by the respective subscribers.

8 TRANSFERS OF SHARES – GENERAL

- 8.1 In Articles 8 to 15 inclusive, reference to the transfer of a Share includes the transfer or assignment of a beneficial or other interest in that Share or the creation of a trust or Encumbrance over that Share and reference to a Share includes a beneficial or other interest in a Share.
- 8.2 No Share may be transferred unless the transfer is made in accordance with these Articles.
- 8.3 If a Shareholder transfers or purports to transfer a Share otherwise than in accordance with these Articles he will be deemed immediately to have served a Transfer Notice in respect of all Shares held by him.
- 8.4 Unless express provision is made in these Articles to the contrary, no Shares held by any Founder shall be transferred without Investor Consent.
- 8.5 The Directors may, as a condition to the registration of any transfer of shares in the Company (whether pursuant to a Permitted Transfer or otherwise), require the transferee to execute and deliver to the Company a deed agreeing to be bound by the terms of the Subscription and Shareholders' Agreement in any form as the Directors may reasonably require (but not so as to oblige the transferee to have any obligations or liabilities greater than those of the proposed transferor under any such agreement) and if any condition is imposed in accordance with this Article 8.5 the transfer may not be registered unless that deed has been executed and delivered to the Company's registered office by the transferee.
- 8.6 In any case where the Board requires a Transfer Notice to be given in respect of any Shares, if a Transfer Notice is not duly given within a period of 10 Business Days of demand being made, a Transfer Notice shall be deemed to have been given at the expiration of that period.

8.7 If a Transfer Notice is required to be given by the Board or is deemed to have been given under these Articles, the Transfer Notice, unless otherwise specified in the Articles, will be treated as having specified that:

8.7.1 the Transfer Price for the Sale Shares will be as agreed between the Board (any director who is a Seller or with whom the Seller is connected (within the meaning of section 252 of the Act) not voting), the Investor and the Seller, or, failing agreement within five Business Days after the date on which the Board becomes aware that a Transfer Notice has been deemed to have been given, will be the Fair Value of the Sale Shares;

8.7.2 it does not include a Minimum Transfer Condition (as defined in Article 10.2.4); and

8.7.3 the Seller wishes to transfer all of the Shares held by it.

8.8 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of:

8.8.1 the transferor; and

8.8.2 (if any of the shares is partly or nil paid) the transferee.

9 PERMITTED TRANSFERS

9.1 A Shareholder (who is not a Permitted Transferee) (**Original Shareholder**) may transfer all or any of his or its Shares to a Permitted Transferee without restriction as to price or otherwise, save that the transfer of Shares held by any Founder under this Article 9.1 shall require Investor Consent.

9.2 Shares previously transferred as permitted by Article 9.1 may be transferred by the transferee to any other Permitted Transferee of the Original Shareholder without restriction as to price or otherwise.

9.3 Where under the provision of a deceased Shareholder's will or laws as to intestacy, the persons legally or beneficially entitled to any Shares, whether immediately or contingently, are Permitted Transferees of the deceased Shareholder, the legal representative of the deceased Shareholder may transfer any Share to those Permitted Transferees, in each case without restriction as to price or otherwise.

9.4 Trustees may (i) transfer Shares to the Original Shareholder or to another Permitted Transferee of the Original Shareholder or (ii) transfer Shares to the new

or remaining trustees upon a change of Trustees without restrictions as to price or otherwise.

9.5 No transfer of Shares may be made to Trustees unless the Board is satisfied:

9.5.1 with the terms of the trust instrument and in particular with the powers of the trustees;

9.5.2 with the identity of the proposed trustees;

9.5.3 the proposed transfer will not result in 50 per cent or more of the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and

9.5.4 that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

9.6 If a Permitted Transferee who is a Qualifying Company of the Original Shareholder ceases to be a Qualifying Company of the Original Shareholder, it must within five Business Days of so ceasing, transfer the Shares held by it to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (and may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

9.7 If a Permitted Transferee who is a Privileged Relation of the Original Shareholder ceases to be a Privileged Relation of the Original Shareholder whether by reason of divorce or otherwise he must, within five Business Days of so ceasing transfer of the Shares held by him to the Original Shareholder (or, to any Permitted Transferee of the Original Shareholder) (and may do so without restriction as to price or otherwise) failing which it will be deemed to have given a Transfer Notice in respect of such Shares.

9.8 If a Permitted Transferee who was a Member of the same Group as the Original Shareholder ceases to be a Member of the same Group as the Original Shareholder, the Permitted Transferee must not later than five Business Days after the date on which the Permitted Transferee so ceases, transfer the Shares held by it to the Original Shareholder or a Member of the same Group as the Original Shareholder (which in either case is not in liquidation) without restriction as to price or otherwise failing which it will be deemed to have given a Transfer Notice in respect of those Shares.

9.9 On the death, bankruptcy, liquidation, administration or administrative receivership of a Permitted Transferee (other than a joint holder) his personal representatives or trustee in bankruptcy, or its liquidator, administrator or

administrative receiver must within five Business Days after the date of the grant of probate, the making of the bankruptcy order or the appointment of the liquidator, administrator or the administrative receiver execute and deliver to the Company a transfer of the Shares held by the Permitted Transferee without restriction as to price or otherwise. The transfer shall be to the Original Shareholder if still living (and not bankrupt or in liquidation) or, if so directed by the Original Shareholder, to any Permitted Transferee of the Original Shareholder. If the transfer is not executed and delivered within five Business Days of such period or if the Original Shareholder has died or is bankrupt or is in liquidation, administration or administrative receivership, the personal representative or trustee in bankruptcy or liquidator, administrator or administrative receiver will be deemed to have given a Transfer Notice.

- 9.10 A transfer of any Shares approved by the Board and the Investors may be made without restriction as to price or otherwise and with any such conditions as may be imposed and each such transfer shall be registered by the Directors.

10 TRANSFERS OF SHARES SUBJECT TO PRE-EMPTION RIGHTS

- 10.1 Save where the provisions of Articles 9, 14 and 15 apply, any transfer of Shares by a Shareholder shall be subject to the pre-emption rights contained in this Article 10.

- 10.2 A Shareholder who wishes to transfer Shares (**Seller**) shall, except as otherwise provided in these Articles, before transferring or agreeing to transfer any Shares give notice in writing (**Transfer Notice**) to the Company specifying:

- 10.2.1 the number of Shares which he wishes to transfer (**Sale Shares**);
- 10.2.2 if he wishes to sell the Sale Shares to a third party, the name of the proposed transferee;
- 10.2.3 the price at which he wishes to transfer the Sale Shares; and
- 10.2.4 whether the Transfer Notice is conditional on all or a specific number of the Sale Shares being sold to Shareholders (**Minimum Transfer Condition**).

If no cash price is specified by the Seller, the price at which the Sale Shares are to be transferred (**Transfer Price**) must be agreed by the Board (including Investor Consent). In addition, if the price is not specified in cash, an equivalent cash value price must be agreed between the Seller and the Board (including Investor Consent). In both cases, the price will be deemed to be the Fair Value of the Sale Shares if no price is agreed within 5 Business Days of the Company receiving the Transfer Notice.

10.3 Except with Investor Consent, no Transfer Notice once given or deemed to have been given under these Articles may be withdrawn.

10.4 A Transfer Notice constitutes the Company the agent of the Seller for the sale of the Sale Shares at the Transfer Price.

10.5 As soon as practicable following the later of:

10.5.1 receipt of a Transfer Notice; and

10.5.2 in the case where the Transfer Price has not been agreed, the determination of the Transfer Price under Article 11,

the Board shall offer the Sale Shares for sale to the Shareholders in the manner set out in Article 10.6. Each offer must be in writing and give details of the number and Transfer Price of the Sale Shares offered.

10.6 Transfers: Offer

10.6.1 The Board shall offer the Sale Shares to all shareholders specified in the offer other than the Seller (**Continuing Shareholders**) inviting them to apply in writing within the period from the date of the offer to the date 10 Business Days after the offer (inclusive) (**Offer Period**) for the maximum number of Sale Shares they wish to buy.

10.6.2 If the Sale Shares are subject to a Minimum Transfer Condition then any allocation made under Article 10.6 will be conditional on the fulfilment of the Minimum Transfer Condition.

10.6.3 If, at the end of the Offer Period, the number of Sale Shares applied for is equal to or exceeds the number of Sale Shares, the Board shall allocate the Sale Shares to each Continuing Shareholder who have applied for Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which his existing holding of the relevant class(es) of Shares bears to the total number of the relevant class(es) of Shares held by those Continuing Shareholders who have applied for Sale Shares which procedure shall be repeated until all Sale Shares have been allocated but no allocation shall be made to a Shareholder of more than the maximum number of Sale Shares which he has stated he is willing to buy.

10.6.4 If, at the end of the Offer Period, the number of Sale Shares applied for is less than the number of Sale Shares, the Board shall allocate the Sale Shares to the Continuing Shareholders in accordance with their

applications and the balance will be dealt with in accordance with Article 10.7.5.

10.7 Completion of transfer of Sale Shares

10.7.1 If the Transfer Notice includes a Minimum Transfer Condition and the total number of Shares applied for does not meet the Minimum Transfer Condition the Board shall notify the Seller and all those to whom Sale Shares have been conditionally allocated under Article 10.6 stating the condition has not been met and that the relevant Transfer Notice has lapsed with immediate effect.

10.7.2 If:

10.7.2.1 the Transfer Notice does not include a Minimum Transfer Condition; or

10.7.2.2 the Transfer Notice does include a Minimum Transfer Condition and allocations have been made in respect of all or the minimum required number of the Sale Shares,

the Board shall, when no further offers are required to be made under Article 10.6, give written notice of allocation (**Allocation Notice**) to the Seller and each Shareholder to whom Sale Shares have been allocated (**Applicant**) specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than 5 Business Days nor more than 10 Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares.

10.7.3 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares in accordance with the requirements specified in it.

10.7.4 If the Seller fails to comply with the provisions of Article 10.7.3:

10.7.4.1 the chairman of the Company or, failing him, one of the directors, or some other person nominated by a resolution of the Board, may on behalf of the Seller:

10.7.4.1.1 complete, execute and deliver in his name all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants;

10.7.4.1.2 receive the Transfer Price and give a good discharge for it; and

10.7.4.1.3 (subject to the transfer being duly stamped) enter the Applicants in the register of Shareholders as the holders of the Shares purchased by them; and

10.7.4.2 the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until he has delivered to the Company his certificate or certificates for the relevant Shares (or an indemnity for lost certificate in a form acceptable to the Board).

10.7.5 If an Allocation Notice does not relate to all the Sale Shares then, subject to Article 10.7.6, the Seller may, within eight weeks after service of the Allocation Notice, transfer the unallocated Sale Shares to any person at a price at least equal to the Transfer Price.

10.7.6 The right of the Seller to transfer Shares under Article 10.7.5 does not apply if the Board is of the opinion on reasonable grounds that:_____

10.7.6.1 the transferee is a person (or a nominee for a person) who the Board (with Investor Consent) determine in their absolute discretion is a competitor with (or an Associate of a competitor with) the business of the Group;

10.7.6.2 the sale of the Sale Shares is not bona fide or the price is subject to a deduction, rebate or allowance to the transferee; or

10.7.6.3 the Seller has failed or refused to provide promptly information available to it or him and reasonably requested by the Board for the purpose of enabling it to form the opinion mentioned above.

10.8 Any Sale Shares offered under this Article 10 to an Investor may be accepted in full or part only by a Member of the same Group as that Investor in accordance with the terms of this Article 10.

11 VALUATION OF SHARES

11.1 If no Transfer Price can be agreed between the Seller and the Board in accordance with provisions of Articles 8.7, 10.2 or otherwise then, on the date of failing agreement, the Board shall either:

11.1.1 appoint an expert valuer in accordance with Article 11.2 (**Expert Valuer**) to certify the Fair Value of the Sale Shares; or

11.1.2 (if the Fair Value has been certified by an Expert Valuer within the preceding 12 weeks) specify that the Fair Value of the Sale Shares will be calculated by dividing any Fair Value so certified by the number of Sale Shares to which it related and multiplying such Fair Value by the number of Sale Shares the subject of the Transfer Notice.

11.2 The Expert Valuer will be either:

11.2.1 the Auditors; or

11.2.2 (if otherwise agreed by the Board and the Seller) an independent firm of chartered accountants to be agreed between the Board and the Seller or failing agreement not later than the date 10 Business Days after the date of service of the Transfer Notice to be nominated by the then President of the Institute of Chartered Accountants in England and Wales on the application of either party and approved by the Company.

11.3 The **Fair Value** of the Sale Shares shall be determined by the Expert Valuer on the following assumptions and bases:

11.3.1 valuing the Sale Shares as on an arm's-length sale between a willing seller and a willing buyer;

11.3.2 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

11.3.3 that the Sale Shares are capable of being transferred without restriction;

11.3.4 valuing the Sale Shares as a rateable proportion of the total value of all the issued Shares without any premium or discount being attributable to the percentage of the issued share capital of the Company which they represent but taking account of the rights attaching to the Sale Shares; and

11.3.5 reflect any other factors which the Expert Valuer reasonably believes should be taken into account.

- 11.4 If any difficulty arises in applying any of these assumptions or bases then the Expert Valuer shall resolve that difficulty in whatever manner they shall in their absolute discretion think fit.
- 11.5 The Expert Valuer shall be requested to determine the Fair Value within 20 Business Days of their appointment and to notify the Board of their determination.
- 11.6 The Expert Valuer shall act as experts and not as arbitrators and their determination shall be final and binding on the parties (in the absence of fraud or manifest error).
- 11.7 The Board will give the Expert Valuer access to all accounting records or other relevant documents of the Company subject to them agreeing to such confidentiality provisions as the Board may reasonably impose.
- 11.8 The Expert Valuer shall deliver their certificate to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. Unless the Sale Shares are to be sold under a Transfer Notice, which is deemed to have been served, the Seller may by notice in writing to the Company within five Business Days of the service on him of the copy certificate, cancel the Company's authority to sell the Sale Shares.
- 11.9 The cost of obtaining the certificate shall be paid by the Company unless:
- 11.9.1 the Seller cancels the Company's authority to sell; or
- 11.9.2 the Sale Price certified by the Expert Valuer is less than the price (if any) offered by the directors to the Seller for the Sale Share before Expert Valuer was instructed,

in which case the Seller shall bear the cost.

12 COMPULSORY TRANSFERS – GENERAL

- 12.1 A person entitled to a Share in consequence of the bankruptcy of a Shareholder shall be deemed to have given a Transfer Notice in respect of that Share at a time determined by the Directors.
- 12.2 If a Share remains registered in the name of a deceased Shareholder for longer than one year after the date of his death the Directors may require the legal personal representatives of that deceased Shareholder either:
- 12.2.1 to effect a Permitted Transfer of such Shares (including for this purpose an election to be registered in respect of the Permitted Transfer); or

12.2.2 to show to the satisfaction of the Directors that a Permitted Transfer will be effected before or promptly upon the completion of the administration of the estate of the deceased Shareholder.

If either requirement in this Article 12.2 shall not be fulfilled to the satisfaction of the Directors a Transfer Notice shall be deemed to have been given in respect of each such Share save to the extent that, the Directors may otherwise determine.

12.3 If a Shareholder which is a company, either suffers or resolves for the appointment of a liquidator, administrator or administrative receiver over it or any material part of its assets (other than as part of a bona fide restructuring or reorganisation), the relevant Shareholder (and all its Permitted Transferees) shall be deemed to have given a Transfer Notice in respect of all the shares held by the relevant Shareholder and its Permitted Transferees save to the extent that, and at a time, the Directors may determine.

12.4 If there is a change in control (as control is defined in section 1124 of the CTA 2010) of any Shareholder which is a company, it shall be bound at any time, if and when require in writing by the Directors to do so, to give (or procure the giving in the case of a nominee) a Transfer Notice in respect of all the Shares registered in its and their names and their respective nominees' names save that, in the case of the Permitted Transferee, it shall first be permitted to transfer those Shares back to the Original Shareholders from whom it received its Shares or to any other Permitted Transferee before being required to serve a Transfer Notice. This Article 12.4 shall not apply to an Investor.

13 DEPARTING FOUNDERS

13.1 Unless the Board (with Investor Consent) determine that this Article 13.1 shall not apply and subject always to Articles 13.3, if at any time during the Relevant Period a Founder ceases to be an Employee:

13.1.1 by reason of being a Good Leaver, the Leaver's Percentage of the Employee Shares relating to such Founder (for the avoidance of doubt, the Vested Shares relating to such Founder shall be excluded for the purposes of calculating the Leaver's Percentage of the Employee Shares under this Article 13.1.1) shall automatically convert into Deferred Shares (on the basis of one Deferred Share for each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share); or

13.1.2 by reason of being a Bad Leaver, all of the Employee Shares relating to such Founder (excluding the Vested Shares) shall automatically convert into Deferred Shares (on the basis of one Deferred Share for

each Ordinary Share held) on the Effective Termination Date (rounded down to the nearest whole share).

- 13.2 Upon such conversion into Deferred Shares, the Company shall be entitled to enter the holder of the Deferred Shares on the register of members of the Company as the holder of the appropriate number of Deferred Shares, as from the Deferred Conversion Date. Upon the Deferred Conversion Date, the Founder (and his Permitted Transferee(s)) shall deliver to the Company at its registered office the share certificate(s) (to the extent not already in the possession of the Company) or an indemnity for lost certificate(s) in a form acceptable to the Board for the Unvested Shares so converting and upon such delivery there shall be issued to him (or his Permitted Transferee(s)) share certificate(s) for the number of Deferred Shares resulting from the relevant conversion and any remaining Ordinary Shares.
- 13.3 The Board (with Investor Consent) shall be entitled to determine that, in the alternative to Article 13.1, if a Founder ceases to be an Employee, a Transfer Notice shall be deemed to be given in respect of:
- 13.3.1 in the case of a Good Leaver, the Leaver's Percentage of the Employee Shares (for the avoidance of doubt, the Vested Shares relating to such Founder shall be excluded for the purposes of calculating the Leaver's Percentage of the Employee Shares under this Article 13.3.1) which were to convert into Deferred Shares under Article 13.1; or
- 13.3.2 in the case of a Bad Leaver, all the Employee Shares (excluding the Vested Shares) which were to convert into Deferred Shares under Article 13.1 on the Effective Termination Date.
- 13.4 In the event of a Transfer Notice being deemed to have been given under Article 13.3, the Transfer Price shall be as follows:
- 13.4.1 where the relevant Founder ceases to be an Employee by reason of being a Good Leaver, the Fair Value;
- 13.4.2 where the relevant Founder ceases to be an Employee by reason of being a Bad Leaver, the lower of Fair Value and the nominal value of the Employee Shares.
- 13.5 The allotment or issue of Deferred Shares or the conversion or re-designation of Shares into Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time after their allotment, issue, conversion or re-designation, without obtaining the sanction of such holder(s), to:

13.5.1 appoint any person to execute any transfer (or any agreement to transfer) such Deferred Shares to the Company (as nominee or custodian thereof or otherwise and to the extent permitted by law); and/or

13.5.2 give, on behalf of such holder, consent to the cancellation of such Deferred Shares; and/or

13.5.3 purchase such Deferred Shares in accordance with the Act,

in any such case (i) for a price being not more than an aggregate sum of one penny for all the Deferred Shares registered in the name of such holder(s) and (ii) with the Company having authority pending such transfer, cancellation and/or purchase to retain the certificates (if any) in respect thereof.

Suspension of voting rights

13.6 All voting rights attached to Employee Shares held by a Founder or by any Permitted Transferee of that Founder (**Restricted Member**), if any, in respect of which a Transfer Notice is deemed to be given pursuant to Article 13.3 shall at the time he ceases to be an Employee be suspended.

13.7 Any Employee Shares whose voting rights are suspended pursuant to Article 13.6 (**Restricted Shares**) shall confer on the holders of Restricted Shares the right to receive a notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy or to vote on any proposed written resolution. If a Restricted Member transfers any Restricted Shares in accordance with these Articles all voting rights attached to the Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of members) automatically be restored.

14 DRAG-ALONG

14.1 If the holders of 51 per cent of the Shares (**Selling Shareholder(s)**) (which shall include the Investors and at least one Founder) wish to transfer all their interest in Shares (**Sellers' Shares**) to a Proposed Purchaser, the Selling Shareholders shall have the option (**Drag Along Option**), to compel each other holder of Shares (each a **Called Shareholder** and together the **Called Shareholders**) to sell and transfer all their Shares to the Proposed Purchaser or as the Proposed Purchaser shall direct (the **Drag Purchaser**) in accordance with the provisions of this Article, provided that where the consideration offered for the Called Shares is equal to or greater than five times the aggregate amounts invested in the Group by the Investors from time to time, there shall be no requirement for the Selling Shareholders to include the Investors.

14.2 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (**Drag Along Notice**) to the Company which the Company shall forthwith copy to the Called Shareholders at any time before the transfer of the Sellers' Shares to the Drag Purchaser. A Drag Along Notice shall specify that:

14.2.1 the Called Shareholders are required to transfer all their Shares (**Called Shares**) under this Article;

14.2.2 the person to whom they are to be transferred;

14.2.3 the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article);

14.2.4 the proposed date of transfer, and

14.2.5 the form of any sale agreement or form of acceptance or any other document of similar effect that the Called Shareholders are required to sign in connection with such sale (**Sale Agreement**),

(and, in the case of paragraphs 14.2.2 to 14.2.4 above, whether actually specified or to be determined in accordance with a mechanism described in the Drag Along Notice). No Drag Along Notice or Sale Agreement may require a Called Shareholder to agree to any terms except those specifically provided for in this Article.

14.3 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Drag Purchaser within 60 Business Days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.

14.4 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be equal to the total consideration proposed to be paid by the Drag Purchaser for the Sellers' Shares (**Drag Consideration**).

14.5 In respect of a transaction that is the subject of a Drag-Along Notice and with respect to any Drag Document, a Called Shareholder shall only be obliged to undertake to transfer his Shares with full title guarantee (and provide an indemnity for lost certificate in a form acceptable to the Board if so necessary) in receipt of the Drag Consideration when due and shall not be obliged to give warranties or indemnities except a warranty as to capacity to enter into a Drag Document and the full title guarantee of the Shares held by such Called Shareholder.

- 14.6 Within three Business Days of the Company copying the Drag Along Notice to the Called Shareholders (or such later date as may be specified in the Drag Along Notice) (**Drag Completion Date**), each Called Shareholder shall deliver:
- 14.6.1 duly executed stock transfer form(s) for its Shares in favour of the Drag Purchaser;
 - 14.6.2 the relevant share certificate(s) (or a duly executed indemnity for lost certificate in a form acceptable to the Board) to the Company; and
 - 14.6.3 duly executed Sale Agreement, if applicable, in the form specified in the Drag Along Notice or as otherwise specified by the Company,
- (together the **Drag Documents**).
- 14.7 On the Drag Completion Date, the Company shall pay each Called Shareholder, on behalf of the Drag Purchaser, the Drag Consideration that is due to the extent the Drag Purchaser has paid such consideration to the Company. The Company's receipt of the Drag Consideration shall be a good discharge to the Drag Purchaser. The Company shall hold the Drag Consideration in trust for each of the Called Shareholders without any obligation to pay interest.
- 14.8 To the extent that the Drag Purchaser has not, on the Drag Completion Date, paid the Drag Consideration that is due to the Company, the Called Shareholders shall be entitled to the immediate return of the Drag Documents for the relevant Shares and the Called Shareholders shall have no further rights or obligations under this Article 14 in respect of their Shares.
- 14.9 If a Called Shareholder fails to deliver the Drag Documents for its Shares to the Company by the Drag Completion Date, the Company and each Director shall be constituted the agent of such defaulting Called Shareholder to take such actions and enter into any Drag Document or such other agreements or documents as are necessary to effect the transfer of the Called Shareholder's Shares pursuant to this Article 14.9 and the Directors shall, if requested by the Drag Purchaser, authorise any Director to transfer the Called Shareholder's Shares on the Called Shareholder's behalf to the Drag Purchaser to the extent the Drag Purchaser has, by the Drag Completion Date, paid the Drag Consideration to the Company for the Called Shareholder's Shares offered to him. The Board shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Called Shareholder shall surrender his share certificate for his Shares (or suitable executed indemnity) to the Company. On surrender, he shall be entitled to the Drag Consideration due to him.

14.10 Any transfer of Shares to a Drag Purchaser pursuant to a sale in respect of which a Drag Along Notice has been duly served shall not be subject to the provisions of Article 10.

14.11 On any person, following the issue of a Drag Along Notice, becoming a Shareholder pursuant to the exercise of a pre-existing option or warrant to acquire shares in the Company or pursuant to the conversion of any convertible security of the Company (a **New Shareholder**), a Drag Along Notice shall be deemed to have been served on the New Shareholder on the same terms as the previous Drag Along Notice who shall then be bound to sell and transfer all Shares so acquired to the Drag Purchaser and the provisions of this Article shall apply with the necessary changes to the New Shareholder except that completion of the sale of the Shares shall take place immediately on the Drag Along Notice being deemed served on the New Shareholder.

15 MANDATORY OFFER ON A CHANGE OF CONTROL

15.1 Except in the case of Permitted Transfers and transfers pursuant to Article 8, after going through the pre-emption procedure in Article 9, the provisions of Article 15.2 will apply if one or more Proposed Sellers propose to transfer in one or a series of related transactions any Shares (**Proposed Transfer**) which would, if put into effect, result in any Proposed Purchaser (and Associates of his or persons Acting in Concert with him) acquiring a Controlling Interest in the Company.

15.2 A Proposed Seller must, before making a Proposed Transfer procure the making by the Proposed Purchaser of an offer (**Offer**) to the other Shareholders to acquire all of the Shares for a consideration per share the value of which is at least equal to the Specified Price (as defined in Article 15.7).

15.3 The Offer must be given by written notice (**Proposed Sale Notice**) at least 10 Business Days (**Offer Period**) prior to the proposed sale date (**Proposed Sale Date**). The Proposed Sale Notice must set out, to the extent not described in any accompanying documents, the identity of the Proposed Purchaser, the purchase price and other terms and conditions of payment, the Proposed Sale Date and the number of Shares proposed to be purchased by the Proposed Purchaser (**Proposed Sale Shares**).

15.4 If any Shareholder is not given the rights accorded him by this Article, the Proposed Sellers will not be entitled to complete their sale and the Company will not register any transfer intended to carry that sale into effect.

15.5 If the Offer is accepted by any Shareholder (**Accepting Shareholder**) within the Offer Period, the completion of the Proposed Transfer will be conditional upon the completion of the purchase of all the Shares held by Accepting Shareholders.

15.6 The Proposed Transfer is subject to the pre-emption provisions of Article 10 but the purchase of the Accepting Shareholders' shares shall not be subject to Article 10.

15.7 For the purpose of this Article the expression **Specified Price** shall mean in respect of each Share a sum in cash equal to the highest price per Share offered or paid by the Proposed Purchaser:

15.7.1 in the Proposed Transfer; or

15.7.2 in any related or previous transaction by the Proposed Purchaser or any person Acting in Concert with the Proposed Purchaser in the 12 months preceding the date of the Proposed Transfer.

16 APPOINTMENT OF DIRECTORS

16.1 For so long as the Investors and their Permitted Transferees hold in aggregate more than 10 per cent of the Shares, the Investors shall have the right:

16.1.1 to appoint and maintain in office such natural person as they may from time to time nominate as a Director (and as a member of each and any committee of the Board) and to remove any Director so appointed and, upon his removal, to appoint another director in his place; and

16.1.2 to appoint a representative to attend as an observer at each and any meeting of the Board and of each and any committee of the Board who will be entitled to speak at any such meetings but will not be entitled to vote.

Vasile Foca shall be deemed to be the first director appointed pursuant to this Article 16.1.

16.2 For so long as the Founders and their Permitted Transferees hold in aggregate more than 10 per cent of the Shares and at least one of them remains either an employee of, or a consultant to, the Company, Alexander Lyakhotskiy shall have the right to appoint and maintain in office up to two natural persons as they may from time to time nominate as Directors (and as a member of each and any committee of the Board) and to remove any such Directors so appointed and, upon his removal, to appoint another director in his place.

Alexander Lyakhotskiy shall be deemed the one of such Directors appointed pursuant to this clause 16.2.

16.3 An appointment or removal of the Investor Director or an observer in accordance with Article 16.1, or a Founder Director in accordance with 16.2, shall be by written notice from the Investors or Alexander Lyakhotskiy (as applicable) to the

Company and will take effect on delivery at the Company's registered office or at any meeting of the Board or committee thereof.

17 PROCEEDINGS OF DIRECTORS

- 17.1 The quorum for Directors' meetings shall be two Directors who must include the Investor Director. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting such 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 at such time and place as determined by the Directors present at such meeting and the Investor Director. If a quorum is not present at any such adjourned meeting within half an hour from the time appointed, then the meeting shall proceed.
- 17.2 If all the Directors participating in a meeting of the Directors are not physically in the same place, the meeting shall be deemed to take place where the largest group of participators in number is assembled. In the absence of a majority the location of the chairman shall be deemed to be the place of the meeting.
- 17.3 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company at any time before or after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.
- 17.4 Questions arising at any meeting of the Directors shall be decided by a majority of votes. In the case of any equality of votes, the chairman shall not have a second or casting vote.